

**CITY OF LA CRESCENT**  
**AGENDA**  
**REGULAR MEETING**  
**MARCH 22, 2021**  
**5:30 P.M.**

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CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ROLL CALL  
ACTION TO CHANGE AGENDA

**1. CONSENT AGENDA**

All items listed under the consent agenda are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- 1.1 MINUTES – MARCH 8, 2021
- 1.2 BILLS PAYABLE THROUGH MARCH 18, 2021
- 1.3
- 1.4

**2. PUBLIC HEARING**

5:30 – ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT

**3. ITEMS FOR CONSIDERATION**

- 3.1 RESOLUTION AWARDDING SALE OF BONDS
- 3.2 PLANS AND SPECIFICATIONS – BRIDGE PROJECT
- 3.3 ADA TRANSITION PLAN
- 3.4 LOCAL ROAD IMPROVEMENT PROJECT REVIEW
- 3.5 ENGINEERING REVIEW
- 3.6 CITY OF LA CROSSE CORRESPONDENCE
- 3.7
- 3.8
- 3.9

**4. UNFINISHED BUSINESS**

- 4.1

**CITY OF LA CRESCENT**  
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**5:30 P.M.**

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**5. MAYOR'S COMMENTS**

5.1

**6. STAFF CORRESPONDENCE/COMMITTEE UPDATES**

- 6.1 GREENSTEP MINUTES – MARCH 3, 2021
- 6.2 PARK & RECREATION MINUTES – MARCH 15, 2021
- 6.3 EXPLORE LA CROSSE

**7. CORRESPONDENCE**

- 7.1
- 7.2
- 7.3

**8. CHAMBER OF COMMERCE**

8.1

**9 ITEMS FOR NEXT AGENDA**

**10. ADJOURNMENT**

**NOTICE**

Please take notice that pursuant to Minn. Stat. Section 13D.021, members of the City Council may attend the meeting by telephone or zoom.

# 1.)

MINUTES, REGULAR MEETING  
CITY COUNCIL, CITY OF LA CRESCENT, MINNESOTA  
MARCH 8, 2021

Pursuant to due call and notice thereof, the first meeting of the City Council of the City of La Crescent for the month of March was called to order by Mayor Mike Poellinger at 5:30 PM in the La Crescent City Hall, La Crescent, Minnesota, on Monday, March 8, 2021.

Pursuant to Minn. Stat. § 13D.021 and due to the COVID-19 pandemic, members of the City Council and City Staff were given the option to attend the meeting by telephone or Zoom. Upon a roll call taken and tallied by the City Administrator, the following members were present: Members Ryan Hutchinson (via Zoom), Cherryl Jostad, Teresa O'Donnell-Ebner, Dale Williams, and Mayor Mike Poellinger. Members absent: None. Also present was City Administrator Bill Waller, City Attorney Skip Wieser, City Building/Zoning Official Shawn Wetterlin, City Sustainability Coordinator Jason Ludwigson, and City Administrative Assistant Angie Boettcher.

Mayor Poellinger asked if anyone wished to take action to change the agenda as presented. There were no changes requested.

**ITEM 1 – CONSENT AGENDA**

At this time, the Mayor read the following items to be considered as part of the Consent Agenda for this regular meeting:

- 1.1 MINUTES – FEBRUARY 22, 2021
- 1.2 BILLS PAYABLE THROUGH MARCH 4, 2021
- 1.3 CASH BALANCE/ACTIVITY REPORT – JANUARY 2020
- 1.4 LIBRARY REPORT – JANUARY 2020

At the conclusion of the reading of the Consent Agenda, Mayor Poellinger asked if the Council wished to have any of the items removed from the Consent Agenda for further discussion. Member Williams made a motion, seconded by Member O'Donnell-Ebner, as follows:

**A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

### **ITEM 3.1 – RESOLUTION AUTHORIZING SALE OF BONDS**

Tammy Omdal of Northland Securities (via Zoom) reviewed with City Council the finance plan for the proposed bond issue, and a resolution approving the issuance of general obligation sewer revenue refunding bonds. The purpose of the bond issue is to current refund the 2012A bond issue and reduce future interest costs. In order to proceed, it was recommended to City Council to adopt the resolution approving the issuance of general obligation sewer revenue refunding bonds. Following review and discussion, Member O'Donnell-Ebner introduced the following resolution and moved its passage and adoption

#### **RESOLUTION NO. 03-21-11**

#### **RESOLUTION APPROVING THE ISSUANCE OF GENERAL OBLIGATION SEWER REVENUE REFUNDING BONDS, SERIES 2021A**

BE IT RESOLVED by the City Council of the City of La Crescent, Minnesota (herein, the "City"), as follows:

1. The City Council hereby finds and declares that it is necessary and expedient for the City to sell and issue its fully registered general obligation sewer revenue refunding bonds in the total aggregate principal amount not to exceed \$800,000 (herein, the "Bonds"). The proceeds of the Bonds will be used to finance a current refunding of all or a portion of the December 1, 2021 through 2031 maturities, aggregating up to \$735,000 in principal amount, of the City's General Obligation Sewer Revenue Bonds, Series 2012A, dated March 1, 2012 as date of original issue, and the costs of issuing the Bonds.
2. The City Council desires to proceed with the sale of the Bonds by direct negotiation with Northland Securities, Inc. (herein, "NSI"). NSI will purchase the Bonds in an arm's-length commercial transaction with the City.
3. The Mayor and City Administrator are hereby authorized to approve the sale of the Bonds in an aggregate principal amount not to exceed \$800,000 and to execute a bond purchase agreement for the purchase of the Bonds with NSI, provided the net present value savings is at least 4.70%.
4. Upon approval of the sale of the Bonds by the Mayor and the City Administrator the City Council will take action at its next regularly scheduled or special meeting thereafter to adopt the necessary approving resolutions as prepared by the City's bond counsel.
5. NSI is authorized to prepare an Official Statement related to the sale of the Bonds.
6. If the Mayor and the City Administrator have not approved the sale of the bonds to NSI and executed the related bond purchase agreement by August 31, 2021, this resolution shall expire.

ADOPTED this 8<sup>th</sup> day of March, 2021.

SIGNED:

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Mayor



ATTEST:

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City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by Member Jostad and upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

### **ITEM 3.2 – PARTNERS IN ENERGY ACTION PLAN**

City Sustainability Coordinator Ludwigson, along with Deirdre Coleman and Tami Gunderzik of Xcel Energy's Partners in Energy Program (via Zoom), reviewed with City Council the Partners in Energy Action Plan. The City was selected to participate in the Partners in Energy Program in 2020. Partners in Energy is a program from Xcel Energy that supports the communities Xcel serves by helping them develop and implement energy plans. Each community has its own unique energy needs and priorities, and Partners in Energy services are tailored to complement each community's vision. Work on the Energy Action Plan began in September 2020 and was driven by a series of workshops held in the community, led by a planning team committed to representing local energy priorities in collaboration with City of La Crescent and Xcel Energy's Partners in Energy. The creation of this Partners in Energy plan was developed by characterizing the City's energy use, identifying energy related goals, and developing engaging strategies to guide change toward the City's energy future. The focus areas outlined in the plan are residents, businesses, and electric vehicles. The overarching goals of the plan are that between 2021 and 2030, the City will cumulatively save 1.6 million kilowatt hours of electricity, amounting to an estimated \$1 million saved; and that during implementation, the City will engage more than 1,500 residents and businesses across the community in energy efficiency, renewable energy, community solar, and electric vehicle outreach. If adopted, the City and the Partners in Energy team will be working over the next 18 months to implement the plan. It was recommended to City Council to approve the Partners in Energy Plan. Following discussion, Member O'Donnell-Ebner made a motion, seconded by Member Williams as follows:

### **MOTION TO ADOPT THE PARTNERS IN ENERGY ACTION PLAN.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

### **ITEM 3.3 – PARTNERS IN ENERGY MEMO OF UNDERSTANDING**

City Sustainability Coordinator Ludwigson reviewed with City Council the Partners in Energy Memo of Understanding between the City and Xcel Energy. The intent of the Memorandum of Understanding (MOU) is to recognize the achievement of the City of La Crescent in developing an Energy Action Plan. The MOU outlines the partnership between the City of La Crescent and Xcel Energy for the joint support of the plan implementation. The support from Xcel energy will include presentations, coordination meetings, and funding for marketing materials and other needs associated with education and outreach. The City will manage the projects in the implementation portion of the Partners in Energy plan, share the plan with the public, and share lessons learned during the implementation phase. All communications pertaining to this agreement will be directed to Jason Ludwigson on behalf of the City and Tami Gunderzik on behalf of Xcel Energy. The term of this joint support, as defined in the document, will extend from April 1, 2021 through September 30, 2022. Following discussion, Member O'Donnell-Ebner made a motion, seconded by Member Hutchinson as follows:

### **MOTION TO APPROVE THE PARTNERS IN ENERGY MEMO OF UNDERSTANDING BETWEEN THE CITY AND XCEL ENERGY.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

### **ITEM 3.4 – PLANNING COMMISSION MINUTES – MARCH 2, 2021**

City Building/Zoning Official Wetterlin reviewed with City Council the Planning Commission Minutes from the March 2, 2021 meeting. This item was informational, and no action was taken.

### **ITEM 3.5 – PROPOSALS TO DEMOLISH BUILDING**

City Building/Zoning Official Wetterlin reviewed with City Council the three proposals to demolish the remaining Applewood Apartment building at 322 South 1<sup>st</sup> Street. The proposals were as follows: Harter Trucking - \$12,000.00; Zenke Incorporated - \$14,370.00; and Gerke Excavating - \$19,836.23. It was recommended to City Council to accept the proposal submitted by Harter Trucking and amend the 2021

general fund budget. Following discussion, Member Jostad made a motion, seconded by Member Williams, as follows:

**MOTION TO ACCEPT THE PROPOSAL SUBMITTED BY HARTER TRUCKING IN THE AMOUNT OF \$12,000.00 TO DEMOLISH THE REMAINING APPLEWOOD APARTMENT BUILDING AT 322 SOUTH 1<sup>ST</sup> STREET AND TO AMEND THE 2021 GENERAL FUND BUDGET.**

Upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.6 – AUTHORIZE EXPENDITURE – ANIMAL RESCUE BUILDING HEATING/COOLING**

City Building/Zoning Official Wetterlin reviewed with City Council three proposals to remove and replace two heating and air conditioning units that are due for replacement in the cat room of the Animal Rescue building. The proposals were as follows: Niebuhr Plumbing and Heating - \$2,160.00; Bob's Appliance Service - \$2,570.00; and Paul's Heating Air Conditioning - \$4,550.00. It was recommended to City Council to accept the proposal submitted by Niebuhr Plumbing & Heating and to use funds in the City's 2021 general fund for this expenditure. Following discussion, Member O'Donnell-Ebner made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO ACCEPT THE PROPOSAL SUBMITTED BY NIEBUHR PLUMBING & HEATING IN THE AMOUNT OF \$2,160.00 TO REMOVE AND REPLACE TWO HEATING AND AIR CONDITIONING UNITS IN THE CAT ROOM OF THE ANIMAL RESCUE BUILDING AND TO USE FUNDS IN THE CITY'S 2021 GENERAL FUND FOR THIS EXPENDITURE.**

Upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.7 – ARBOR DAY RESOLUTION**

City Administrative Assistant Boettcher reviewed with City Council the 2021 Arbor Day Proclamation for April 30, 2021. The City's 2021 Arbor Day event will include the planting of approximately 60 trees at Veteran's Park and Hickory Lane. Ms. Boettcher also updated City Council that the City's 2020 Tree City

USA application is still being processed and the City should be hearing from them within the next couple of weeks. It was recommended to City Council to adopt the Arbor Day Proclamation. Following discussion, Member O'Donnell-Ebner made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO ADOPT THE ARBOR DAY PROCLAMATION PROCLAIMING APRIL 30, 2021 AS ARBOR DAY IN THE CITY OF LA CRESCENT.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.8 – PERSONNEL COMMITTEE RECOMMENDATION**

City Administrator Waller reviewed with City Council the following recommendations from the Personnel Committee regarding a tentative agreement with the AFSCME Union on a two-year contract agreement that covers the years 2021 and 2022. The agreement includes an increase in the City's contribution to insurance and an increase in wages, along with language changes to the union contract. The terms of the agreement are as follows:

1. In both 2021 and 2022, the City's contribution to the family insurance coverage would increase by \$50 per month, and the City's contribution to single insurance coverage would increase by \$30 per month.
2. The agreement includes a 3.25% wage increase in 2021, and a 3.5% wage increase in 2022.
3. Change the years from 2019 and 2020 to 2021 and 2022 where applicable in the contract.
4. Change 4 hours for Christmas Eve and New Year's Eve to ½ day off after working mornings.
5. Add a sentence to the holiday language that when a holiday falls on a Friday or Saturday, and Friday is a non-workday, employees shall receive 8 hours holiday pay for that holiday at their regular rate of pay.
6. The agreement would be effective January 1, 2021.

The insurance and wage increase included in the AFSCME agreement are consistent with the increases in the LELS union contract that covers 2021 and 2022. There are funds in the general fund budget for this increase, and it was recommended to City Council to approve the tentative agreement as presented.

Also, as not part of the union contract but during the course of negotiations, it was recommended to City Council to approve the following items related to AFSCME Union employees:

1. That the City increase the yearly safety boot allowance for full-time maintenance department employees from \$75 per year to \$125 per year, and that the allowance for part-time maintenance department employees be increased from \$60 per year to \$100 per year. The current amounts have been in place for many years.

2. That the City cancel the current contract with Cintas for pants and shirts for maintenance department employees. This amounts to approximately \$867 per year.
3. That the City provide all AFSCME employees with a variety of shirts that include the City's logo and are appropriate and necessary for the performance of their various job responsibilities. The number of garments will not be equally distributed amongst all AFSCME employees, as the functions of an employee in City Hall are quite different than those of the maintenance department employees working in the field throughout the year.

Following discussion, Member Williams made a motion, seconded by Member O'Donnell-Ebner as follows:

**MOTION TO APPROVE THE CHANGES TO THE AFSCME UNION TWO-YEAR CONTRACT AGREEMENT THAT COVERS THE YEARS 2021 AND 2022 AS PRESENTED.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

Member Cherryl Jostad voted against the same. The motion was declared duly carried by a 4-1 vote.

Following discussion, Member Hutchinson made a motion, seconded by Member Williams as follows:

**MOTION TO APPROVE AN INCREASE IN BOOT ALLOWANCE FOR THE MAINTENANCE DEPARTMENT AS PRESENTED, TO CANCEL THE CURRENT CONTRACT WITH CINTAS FOR PANTS AND SHIRTS FOR MAINTENANCE EMPLOYEES, AND TO PROVIDE CLOTHING AS PRESENTED FOR THE AFSCME EMPLOYEES.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.9 – DNR VARIANCE OBJECTION DATE**

City Attorney Wieser reviewed with City Council the correspondence from the Wisconsin DNR regarding the City of La Crosse's request for a variance from the Wisconsin requirements for intermunicipal government agreements prior to receipt of Wisconsin clean water funds. The request for a variance has been denied by the Wisconsin DNR. Following discussion, Member Williams made a motion, seconded by Member O'Donnell-Ebner as follows:

**MOTION TO AUTHORIZE CITY STAFF TO CONTINUE NEGOTIATIONS AND TO AUTHORIZE MAYOR POELLINGER TO SIGN REQUEST TO THE CITY OF LA CROSSE FOR MEDIATION.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.10 – INTERCITY PASSENGER RAIL PROJECT**

Mayor Poellinger reviewed with City Council a Resolution in support of the MnDOT State Rail Plan which includes a proposed 2<sup>nd</sup> Passenger Train frequency between the Twin Cities and Chicago. Following discussion, Member Jostad introduced the following resolution and moved its passage and adoption:

**RESOLUTION NO. 03-21-12**

**RESOLUTION SUPPORTING INTERCITY PASSENGER RAIL PROJECT**

WHEREAS, the MnDOT State Rail Plan includes a proposed 2<sup>nd</sup> Passenger Train frequency (2<sup>nd</sup> train) between the Twin Cities and Chicago for which design planning is completed. This new service between the Twin Cities, Milwaukee and Chicago utilizes the current route of Amtrak's Empire Builder at speeds up to 79 miles an hour; and

WHEREAS, the state of Minnesota was awarded a Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant in 2020 totaling \$31.8M for infrastructure improvements along the existing freight railroad's right of way to enable the 2<sup>nd</sup> train; and

WHEREAS, the state of Minnesota needs to provide \$10M in matching funds to receive the CRISI grant; and

WHEREAS, \$20.9M of these funds will be invested in La Crescent for infrastructure railroad improvements that will not only enable the 2<sup>nd</sup> train but improve freight operations which will prevent stopped and delayed freight trains, which now tremendously impede citizens of La Crescent; and (summary list of proposed improvements in La Crescent. See Addendum 1 for full project description):

\$5.1 million	La Crescent - Mississippi River Bridge Additional track, switches and signaling.
\$15.8 million	La Crescent - River Junction Additional track, switches and signaling,

WHEREAS, freight railroads will benefit from the capital investment needed for the 2<sup>nd</sup> train, enabling greater freight train speeds, reducing railroad congestion, and providing crossing improvements making auto and truck travel safer; and

WHEREAS, La Crescent citizens are mainly reliant upon highways today for travel and the Amtrak train station where the 2<sup>nd</sup> train would stop is only six miles from La Crescent, and would improve transportation options for our citizens who cannot or don't want to drive or fly; and

WHEREAS, the 2<sup>nd</sup> train would offer greater reliability to points east than Amtrak's Empire Builder which originates its eastbound trip from the west coast, and offer greater frequency and travel choices for our residents; and

WHEREAS, the 2<sup>nd</sup> train will benefit Minnesota's economy by about \$25M annually, by supporting and increasing jobs, tourism, and creating a more economical travel choice; and

WHEREAS, many states in the mid-west and around the country are investing in more passenger rail service as they realize the economic and mobility benefits of such services. Some of these states include but are not limited to: Wisconsin, Illinois, Michigan, Missouri, Virginia, California, Oregon, Maine, North Carolina.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of La Crescent Minnesota, that it hereby supports funding the proposed 2<sup>nd</sup> Passenger Train Frequency between the Twin Cities and Chicago, and requests that the Minnesota Legislature approve a minimum of \$10M to provide matching funds to secure the CRISI Grant Award as described above.

Adopted this 8<sup>th</sup> day of March, 2021.

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Mike Poellinger, Mayor

Attest:

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Bill Waller, City Administrator

#### Addendum 1 - La Crescent project description. Source – CRISI Grant Application

Improvement	Location	Improvement Description	Details
Mississippi River Bridge (75% rural)	La Crescent, MN	Realign the track approaches at both the west and east ends, replace the west bridge switch and replace the bridge	1,500 ft of track work Update switch and movable track points on bridge

River Junction  
(55% rural)

La Crescent, MN

special trackwork at the moveable points of the bridge. These improvements will increase the freight speed across the bridge from 10 MPH to 15 MPH.

Convert unsignalized yard track to a signaled second main track to allow for increased speeds through the River Junction switch. The alignment of the Bridge Switch would be modified to allow main track speeds to increase to 25 mph. Additionally, work is needed to construct new mainline track, turnouts and connection track, and upgrading yard track.

5,612 track-feet of new mainline  
2,162 track-feet of new wye connection track  
Upgrade of 1,470 track-feet of yard track  
14 new turnouts  
New signals and communications

The foregoing motion was duly seconded by Member Hutchinson and upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

#### **ITEM 8 – CHAMBER OF COMMERCE**

Eric Miner of the La Crescent Chamber of Commerce (via Zoom) stated that the Chamber would not be having a Block Party this year and they did not have any other updates.

There being no further business to come before the Council at this time, Member O'Donnell-Ebner made a motion, seconded by Member Williams, to adjourn the meeting. Upon a roll call vote taken and tallied by the City Administrator, the following Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the meeting duly adjourned at 6:13 PM.



APPROVAL DATE: \_\_\_\_\_

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

#1.2



TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator *BW*  
DATE: March 18, 2021  
RE: Bills Payable

The bills will be e-mailed out separately.

5:30 Public Hearing



TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator *BW*  
DATE: March 18, 2021  
RE: 5:30 Public Hearing

At 5:30 the City Council will hold a public hearing to consider the tax increment plan for the proposed redevelopment of the old laundromat property at 31 South Walnut Street. Tammy Omdal from Northland securities will be in attendance at the meeting to review this with the City Council.

The following items are attached to this memo:

1. The notice of public hearing.
2. Resolution 03-21-13 establishing tax increment financing district no. 1-9. A copy of the plan is included.
3. Resolution 03-21-14 approving a tax increment financing interfund loan related to the administrative cost for district no. 1-9.
4. Resolution 03-21-15 approving the development agreement for the project. A copy of the development agreement is included.

CITY OF LA CRESCENT  
COUNTY OF HOUSTON  
STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of La Crescent, Houston County, Minnesota, will hold a public hearing on Monday, March 22, 2021, at 5:30 p.m., at the La Crescent City Hall, in the City of La Crescent, Minnesota, relating to the proposed modification of the Development Program for Municipal Development District No. 1, the proposed establishment of Tax Increment Financing District No. 1-9 within the Development District, and the proposed adoption of a Tax Increment Financing Plan for Tax Increment Financing District No. 1-9, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, as amended, and Sections 469.174 through 469.1794, as amended, and to adopt business subsidy agreements, pursuant to Sections 116J.993 to 116J.995, all inclusive, as amended. The recipient of the proposed business subsidy is Brycambria Properties, LLC (the "Developer"), in connection with the reimbursement of land acquisition and site improvements within the TIF District. The creation or retention of jobs is not a goal of the proposed business subsidy. A copy of the proposed Tax Increment Financing Plan and a summary of the agreements are on file and available for public inspection at the office of the City Administrator at City Hall.

A person with residence in or the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with Sections 116J.993 to 116J.995, and no action may be filed against the City for the failure to comply unless a written complaint is filed.

The property included in Municipal Development District No. 1 is described in the Development Program on file in the office of the City Administrator. The property proposed to be included in Tax Increment Financing District No. 1-9 is described in the Tax Increment Financing Plan on file in the office of the City Administrator.

Maps of the Municipal Development District No. 1 and Tax Increment Financing Districts No. 1-9 are set forth in the adjacent map:

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

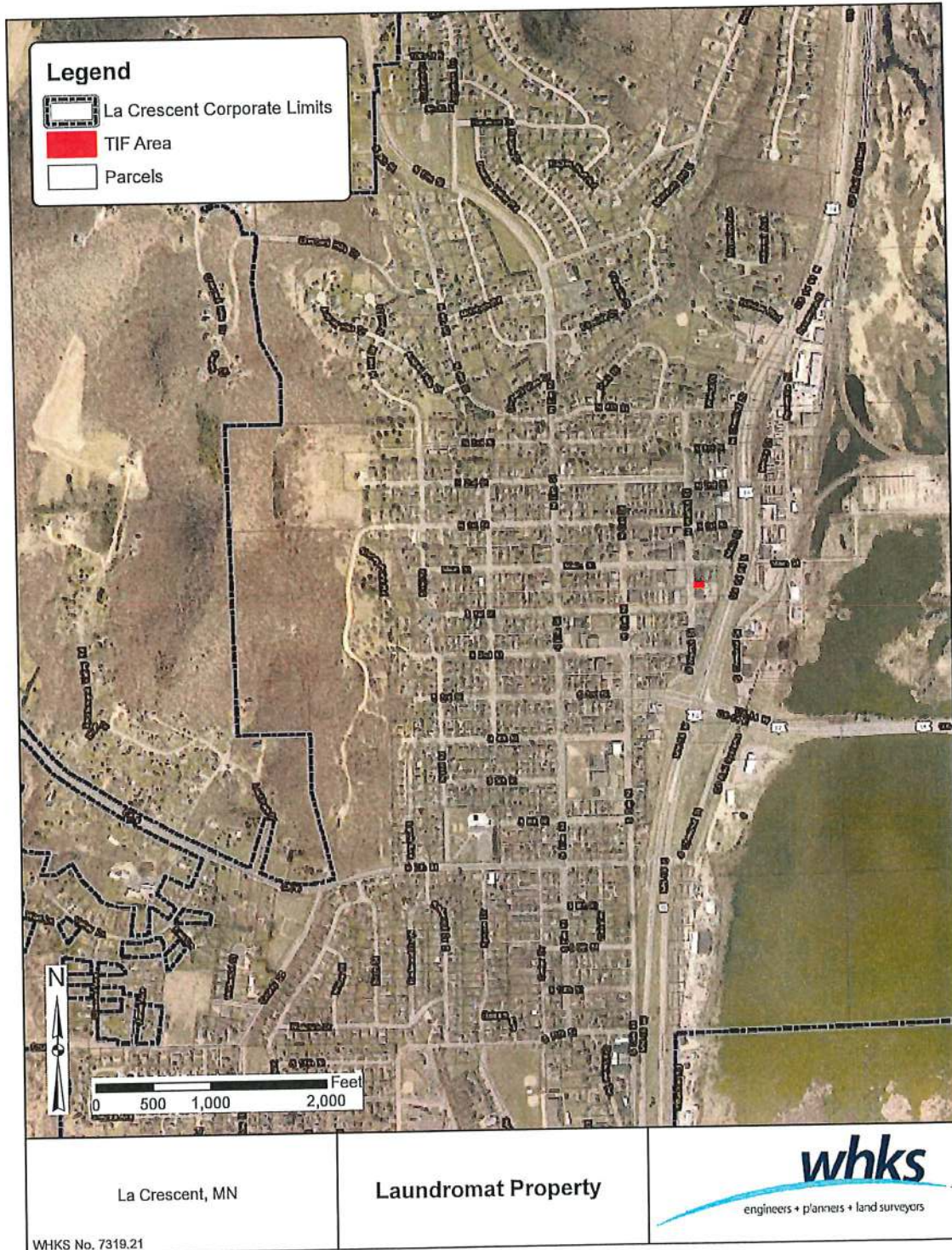
BY ORDER OF THE CITY COUNCIL

/s/ Bill Waller  
City Administrator



EXHIBIT VI

MAP OF BOUNDARIES OF DEVELOPMENT DISTRICT NO. 1 AND TAX  
INCREMENT FINANCING DISTRICT NO. 1-9



## RESOLUTION NO. 03-21-13

### **RESOLUTION APPROVING THE MODIFICATION OF THE DEVELOPMENT PROGRAM FOR MUNICIPAL DEVELOPMENT DISTRICT NO. 1 AND APPROVING THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-9 WITHIN THE DEVELOPMENT DISTRICT AND THE ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING TO THERETO**

#### WHEREAS:

A. The City of La Crescent, Minnesota (the "City") has proposed (a) the modification of the Development Program for Municipal Development District No. 1 (the "Development District"); (b) the establishment of Tax Increment Financing District No. 1-9 (the "TIF District") within the Development District; and (c) the adoption of the Tax Increment Financing Plan (the "TIF Plan") relating to the TIF District all pursuant to Minnesota Statutes, Sections 469.124 through 469.133 and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (the "Act"); and

B. The City has performed all actions required by law to be performed prior to the establishment of the TIF District within the Development District and the adoption of the proposed Modified Development Program and TIF Plan relating to thereto, including, but not limited to, notification of Houston County and La Crescent-Hokah Public Schools (ISD No. 300) having taxing jurisdiction over the property to be included in the TIF District; and

D. The City Council of the City has fully reviewed the contents of the Development Program and the TIF Plan, and on this date conducted a public hearing thereon at which the views of all interested persons were heard.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Crescent as follows:

1. Development District No. 1. The modification of the Development Program for Development District No. 1 is approved and adopted.

2. Tax Increment Financing (Redevelopment) District No 1-9. Tax Increment Financing (Redevelopment) District No. 1-9 is hereby established within the Development District. The initial boundaries of the TIF District are fixed and determined as described in the TIF Plan.

3. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District.

4. Findings. In taking these actions, the City Council makes the following findings:

(a) The TIF District is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10. Parcels consisting of 70 percent of the area of the TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally

substandard to a degree requiring substantial renovation or clearance. The basis for these findings is described in Section 3.03.3 of the TIF Plan.

(b) The proposed redevelopment, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. The anticipated Developer for the project has represented to the City that it will not undertake the project as proposed without the City's use of tax increment financing. Previous City planning attests to the difficulty of redeveloping this site solely through private financing. Due to the necessity of removing structurally substandard buildings, preparing property for redevelopment, and constructing public improvements, the City Council finds that public financing assistance for the redevelopment activities proposed in the TIF Plan is necessary so that other development by private enterprise will occur within the Development District and the TIF District.

(c) The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed redevelopment after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is found in Exhibit I of the TIF Plan and indicates that the increase in estimated market value of the proposed redevelopment (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. Section 3.02.2 of the TIF Plan contains information used in making this finding.

5. Public Purpose. The adoption of the Development Program for the Development and the TIF Plan for the TIF District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose and will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the project area by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

6. Certification and Filing. The City Administrator is authorized and directed to transmit a certified copy of this resolution together with a certified copy of the TIF Plan for the TIF District to the Auditor of Houston County with a request that the original tax capacity of the property within the TIF District be certified to the City pursuant to Section 469.177, Subd. 1 of the TIF Act, and to file a copy of the Development Program and the TIF Plan with the Minnesota Commissioner of Revenue and State Auditor as required by the Act.

7. Administration. The administration of the Development District and the TIF District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to the Act as the City Council may deem appropriate.

Adopted this 22<sup>nd</sup> day of March, 2021.

---

Mayor

Attest:

---

City Administrator



## RESOLUTION NO. 03-21-14

### RESOLUTION AUTHORIZING INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 1-9

BE IT RESOLVED By the City Council of the City of La Crescent, Minnesota (the "City") as follows:

#### Section 1. Background.

1.01. The City of La Crescent (the "City") has established Tax Increment Financing District No. 1-9 (the "TIF District") within the Development District No. 1 (the "Development District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act") and Sections 469.124 to 469.134, as amended.

1.02. Subject to the approval by the City Council of the TIF District after a duly noticed public hearing on the date hereof, the City may incur certain costs related to the TIF District, which costs may be financed on a temporary basis from available City funds.

1.03. Under Section 469.178, Subdivision 7 of the TIF Act, the City is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

1.04. The City has determined that it may be necessary to finance up to \$30,000 in administrative costs associated with the TIF District (the "Administrative Costs") using City funds legally authorized for such purpose, and to reimburse such funds from tax increments from the TIF District when received

1.08. Accordingly, the City hereby designates the payment of Administrative Costs, as an interfund loan in accordance with the terms of this resolution and the TIF Act.

#### Section 2. Repayment of Interfund Loan.

2.01. The City hereby authorizes the advance of legally available City funds up to \$30,000 to reimburse the City for Administrative Costs, together with interest at the rate of 4% per annum (the "Interfund Loan"). Interest accrues on the principal amount from the date of closing on conveyance of the Development Property to the Developer under the Contract (hereafter, the "Closing Date"). The interest rate is no more than the greatest of the rate specified under Minnesota Statutes, Section 270C.40 and Section 549.09, both in effect for calendar year 2018, and will not be adjusted.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Administrator, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on the Interfund Loan will be made solely from Available Tax Increment, which is defined as 10% of tax increment from the TIF District received by the City from Houston County, Minnesota in the six-month period before any Payment Date. Payments shall be applied first to accrued interest, and then to unpaid principal. Simple interest will accrue from the Closing Date, unless otherwise specified by the City Administrator.

2.04. The principal sum and all accrued interest payable under this resolution is pre-payable in whole or in part at any time by the City without premium or penalty.

2.05. This resolution is evidence of an internal borrowing by the City in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.07. The City may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178. subd. 7 of the TIF Act.

Section 3. Effective Date. This resolution is effective upon execution in full of the Contract.

Adopted by the City Council of the City of La Crescent, Minnesota, this 22<sup>nd</sup> day of March, 2021.

---

Mayor

ATTEST:

---

City Administrator

**RESOLUTION NO. 03-21-15**

**RESOLUTION APPROVING DEVELOPMENT AGREEMENT  
31 SOUTH WALNUT, LLC**

A. WHEREAS, 31 South Walnut, LLC, a Minnesota limited liability company (the "Developer") has requested that the City of La Crescent, Minnesota (the "City") assist with the financing of certain costs in connection with the construction of a commercial building with approximately 4,800 square feet including two residential housing units on the second floor which will be constructed on a parcel occupied by a substandard commercial building (laundromat) to be demolished and removed at 31 S Walnut Street in the City (the "Project").

B. WHEREAS, the Developer and the City have determined to enter into a Development Agreement providing for the City's assistance in connection with the Project (the "Agreement").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Crescent, Minnesota, as follows:

1. The City Council hereby approves the Agreement in substantially the form submitted, and the City is hereby authorized to execute the Agreement.

2. The approval hereby given to the Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by a resolution of the City to execute the Agreement. The execution of the Agreement shall be conclusive evidence of the approval of the Agreement in accordance with the terms hereof.

ADOPTED this 22<sup>nd</sup> day of March, 2021.

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

**DRAFT FOR PUBLIC HEARING**

**CITY OF LA CRESCENT, MINNESOTA**

**MODIFIED DEVELOPMENT PROGRAM FOR**

**MUNICIPAL DEVELOPMENT DISTRICT NO. 1**

**AND**

**TAX INCREMENT FINANCING PLAN FOR**

**TAX INCREMENT FINANCING (REDEVELOPMENT)**

**DISTRICT NO. 1-9**

**(NOLOP AND SONS )**

**PUBLIC HEARING: MARCH 22, 2021**

**PLAN APPROVED: \_\_\_\_\_, 2021**

**REQUEST FOR CERTIFICATION: \_\_\_\_\_, 2021**

**DISTRICT CERTIFIED: \_\_\_\_\_, 2021**



Northland Securities, Inc.  
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(800) 851-2920  
Member NASD and SIPC  
Registered with SEC and MSRB

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## ARTICLE I – INTRODUCTION AND DEFINITIONS

### SECTION 1.01 INTRODUCTION

The City of La Crescent proposes to provide tax increment financing assistance to facilitate redevelopment of property within Municipal Development District No. 1.

The development involves the construction of a two-story mixed-use commercial and residential building in the downtown area of the City. The Development will be constructed on a parcel which is occupied by a substandard commercial building (laundromat) to be demolished and removed.

This document contains the plan for achieving the objectives of the Development Program for Municipal Development District No. 1 through the establishment and use of Tax Increment Financing District No. 1-9 within the Development District. The Tax Increment Financing Plan for the District authorizes the use of tax increments to pay for Project Costs.

### SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. "City" means the City of La Crescent, Minnesota.
2. "City Council" means the City Council of the City.
3. "County" means Houston County, Minnesota.
4. "Developer" means the party undertaking construction in the TIF District anticipated to be Brycambria Properties, LLC, its successors or assigns.
5. "Development" means the construction of a mixed-use building of approximately 4,800 square feet including two residential housing units on the second floor.
6. "Development District" means Municipal Development District No. 1 in the City, created and established pursuant to and in accordance with the Development District Act.
7. "Development District Act" means Minnesota Statutes, Sections 469.124 through 469.133, as amended and supplemented from time to time.
8. "Development Program" means the Development Program for the Development District, as amended and supplemented from time to time.
9. "Project Area" means the geographic area of the Development District.
10. "Project Costs" means the public development costs of the development activities that will or are expected to occur within the Project Area or TIF District.
11. "School District" means La Crescent-Hokah Public Schools (Independent School District No. 300).
12. "State" means the State of Minnesota.
13. "TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, as amended, both inclusive.
14. "TIF District" means Tax Increment Financing (Redevelopment) District No. 1-9 (Nolop and Sons).
15. "TIF Plan" means the tax increment financing plan for the TIF District (this document).

### **SECTION 1.03 PLAN PREPARATION**

This document was prepared for the City by Northland Securities, Inc., with information provided by City staff.

## **ARTICLE II - DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT**

### **SECTION 2.01 OVERVIEW**

The Development District and the related Development Program serve as a tool to achieve the objectives described in Section 2.02 of the Development Program. The Development District serves as the Project Area for the tax increment financing districts established within its boundaries. The Development Program describes the City's objectives for the development of this area and the use of tax increment financing.

Prior tax increment financing districts established within the Development District, which have since been decertified, include the following tax increment financing districts: 1-1, 1-2, 1-3, 1-4, 1-5, 1-6, and 1-7. TIF District No. 1-8 and TIF District No. 1-9 are the only tax increment financing districts within the Development District as of the date of establishment of TIF District No. 1-9.

### **SECTION 2.02 STATEMENT OF OBJECTIVES**

The establishment of the Development District in the City pursuant to the Development District Act is necessary and in the best interests of the City and its residents and is necessary to give the City the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the City in the normal development process.

The City intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Development Program:

1. Provide for the acquisition of land and construction and financing of the private development in the Development District which are necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.
2. Encourage the redevelopment of blighted and under-utilized areas of the City.
3. Facilitate the removal of deteriorated structures and encourage redevelopment in residential and commercial areas providing high levels of property maintenance and private investment.
4. Promote and secure the prompt and unified development of certain property in the Development District, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
5. Promote and secure additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
6. Secure the increase in values of property subject to taxation by the City, the School District, the County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
7. Promote the concentration of new unified development consisting of desirable residential and commercial and other appropriate development in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.



8. Encourage the expansion and improvement of residential property, local business, economic activity and development, whenever possible.
9. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new buildings.

### **SECTION 2.03 BOUNDARIES OF DEVELOPMENT DISTRICT**

The boundaries of the Development District are contiguous with the municipal boundaries of the City and is depicted in Exhibit VI.

### **SECTION 2.04 DEVELOPMENT ACTIVITIES**

The City will perform or cause to be performed, to the extent permitted by law, all development activities pursuant to the Development District Act, the TIF Act and other applicable state laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the City:

1. The making of studies, planning, and other formal and informal activities relating to the Development Program.
2. The implementation and administration of the Development Program.
3. The rezoning of land within the Development District.
4. The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Development Program,
5. The preparation of property for use and development in accordance with applicable land use regulations and development agreements, including demolition of structures, clearance of sites, placement of fill and grading.
6. The resale of property to private parties.
7. The construction or reconstruction of site improvements to property within a tax increment financing district.
8. The issuance of tax increment bonds to finance the Project Costs of the Development Program, and the use of tax increments or other funds available to the City to pay or finance the Project Costs of a tax increment financing plan incurred or to be incurred by it pursuant to the Development Program.
9. The use of tax increments to pay debt service on tax increment bonds or otherwise pay or reimburse with interest the Project Costs of a tax increment financing plan.

### **SECTION 2.05 PAYMENT OF PROJECT COSTS**

The Project Costs and the plan for their payment are described in the tax increment financing plans for the tax increment financing districts established within the Development District. It is anticipated that the Project Costs of the Development Program will be paid primarily from tax increments. The City reserves the right to utilize other available sources of revenue which the City may apply to pay a portion of the Project Costs.

### **SECTION 2.06 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS**

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable land use regulations.

## **SECTION 2.07     PARK AND OPEN SPACE TO BE CREATED**

Park and open space within the Development District if created will be created in accordance with the City's Comprehensive Plan and zoning and subdivision ordinances.

## **SECTION 2.08     PROPOSED REUSE OF PROPERTY**

The Development Program reserves the authority for the City to acquire property and reconvey the same to another entity. All parcels in the Development District are eligible for acquisition. In acquiring land, the City Council will require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Project Costs associated with acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreements to which the City is a party.

## **SECTION 2.09     ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT**

The City has not and does not anticipate incurring any annual maintenance and operations costs for the Development District.

Maintenance and operation of the Development District shall be the responsibility of the City Administrator who shall serve as administrator of the Development District. Pursuant to the provisions of Section 469.130 of the Development District Act, the City Administrator shall administer the Development District pursuant to the provisions of Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the Administrator pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

## **SECTION 2.10     AMENDMENTS**

The City reserves the right to alter and amend the Development Program, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size and scope of the Development District, the Development Program and the Project Costs of the Development.

# **ARTICLE III - TAX INCREMENT FINANCING PLAN FOR TIF DISTRICT**

## **SECTION 3.01     STATUTORY AUTHORITY**

The TIF District and this TIF Plan are established under the authority of the TIF Act (Minnesota Statutes 2017).

## **SECTION 3.02     PLANNED DEVELOPMENT**

### **3.02.1     *Development Description***

The Development includes construction of a mixed-use building of approximately 4,800 square feet including two residential housing units on the second floor.

### **3.02.2     *City Plans and Development Program***

In addition to achieving the objectives of the Development Program, the Development is consistent with and works to achieve the development objectives of the City. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole.

The reasons and facts supporting this finding are that the City Council has reviewed the Development Program and found that the TIF Plan is consistent with the goals of the comprehensive plan and zoning ordinances and serves to promote the development objectives for the City.

A major objective of the Development Program and the TIF Plan is to assist redevelopment and prevent the further deterioration of land located within the Development District and the TIF District. The City believes that the Development is in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Development is proposed to be undertaken and is being assisted.

### **3.02.3      *Land Acquisition***

The City will not acquire land within the TIF District.

### **3.02.4      *Development Activities***

As of the date of approval of the TIF Plan, there are no development activities in this TIF Plan that are subject to contracts.

### **3.02.5      *Need for Tax Increment Financing***

The reasons and facts supporting this finding are that this commercial area of the City includes parcels with blighted buildings and structures, and under-utilized areas which are a detriment to redevelopment by the private sector. Such conditions render the property within the TIF District unsuitable for redevelopment due to the excessive costs involved with redevelopment. It is only through a coordinated and comprehensive redevelopment effort using tax increment revenues to fund certain of these development expenses will private redevelopment occur.

In the opinion of the City, the Development would not reasonably be expected to occur solely through private investment within the foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the Development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis indicates that the increase in estimated market value of the Development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

## **SECTION 3.03      TAX INCREMENT FINANCING DISTRICT**

### **3.03.1      *Designation***

The TIF District is designated Tax Increment Financing District No. 1-9 (Nolop and Sons).

### **3.03.2      *Boundaries of TIF District***

The boundaries of the TIF District are depicted in Exhibit VIII and includes the following property, inclusive of parcel 25004600 and the adjacent roads and right-of-way.

The property within the TIF District is described as follows: Sect-10 Twp-104 Range-004 MANTON Lot-006 Block-007 NORTH 40 FT LOT 6 - BLK 7 MANTON PLAT DOC

### **3.03.3      *Type of TIF District***

The TIF District is established as a "redevelopment district" pursuant to Section 469.174, Subd. 10

of the TIF Act. The City has determined that the property in the TIF District meets the statutory criteria for a redevelopment district.

Section 469.174, Subdivision 10 (a) (1) of the TIF Act requires two tests for occupied parcels be met to qualify as a "redevelopment district":

For a "redevelopment district" more than 50% of the buildings, not including outbuildings, must be found to be structurally substandard to a degree requiring substantial renovation or clearance.

The conditions test for structurally substandard is defined under Section 469.174, Subdivision 10(b) of the TIF Act. For purposes of this subdivision, "structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Section 469.174, Subdivision 10(c) of the TIF Act. A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15% of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. Items of evidence that support such a conclusion that the building is not disqualified include recent fire or police inspections, on-site property appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.

Furthermore, for a "redevelopment district", parcels consisting of 70% of the area of the district must be occupied by buildings, streets, utilities, or paved or gravel parking lots to meet the required coverage test. The coverage required by the parcel to be considered occupied is defined under Section 469.174, Subdivision 10(e) of the TIF Act. For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel parking lots unless 15% of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.

As summarized in the table below, 100% of the area of the TIF District is occupied by improved parcels, and 100% of the buildings within the TIF District are found to be substandard. The substandard buildings are reasonably distributed.

The results of the building inspection and analysis performed by the City of La Crescent's Building and Zoning Official, Shawn Wetterlin, are contained in the reports (dated January 13, 2021) and included in Exhibit V of the TIF Plan.

Number of Parcels.....	1
Site Area Included (sq.ft. without roads) .....	2,640
Area of Improved Parcels .....	2,640
Percent of Area Improved.....	100%
Number of Parcels with Buildings .....	1
Number of Buildings found Substandard.....	1
Percent of Buildings found Substandard.....	100%

## **SECTION 3.04 PLAN FOR USE OF TAX INCREMENT**

### **3.04.1 *Estimated Tax Increment***

The original tax capacity of value of the TIF District will be set by the County upon request for certification. The original tax capacity value may change over time based on the use and tax classification of each parcel. For the purposes of this Plan, the estimated original tax capacity is \$1,464, calculated for commercial property. The estimated original tax capacity is based on the most recent published (assessed as of January 2, 2020 for taxes payable 2021) estimated total taxable market value of \$97,600 for the property within the TIF District.

The total tax capacity value of the Development after completion is estimated to be \$13,500. This amount is based on a total estimated taxable market value of \$750,000 with property classified as commercial and residential non-homestead. The difference between the total tax capacity value and the original tax capacity value is the captured tax capacity value for the creation of tax increment. It is the City's intent to retain 100% of the captured tax capacity Value for the duration of the TIF District.

The TIF Plan is based on the estimated rate for taxes payable 2020. The total local tax rate for taxes payable in 2021 is approximately 154.25%. The original tax rate for the TIF District will be based on the final total local tax rate for taxes payable in 2021, if the request for certification of the TIF District is made by June 30, 2021.

Under these assumptions, the estimated annual tax increment upon completion of the Development is \$18,565. The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the Development and the changes in property value and State tax policy over the duration of the TIF District.

Exhibit II contains the projected tax increment for the duration of the TIF District.

### **3.04.2 *Development Activities***

The City will use tax increment to pay Project Costs. The City anticipates the use of tax increment financing to reimburse the Developer for Project Costs related to the redevelopment of the property within the TIF District. The Project Costs paid by the Developer to be eligible for reimbursement are site improvement and preparation costs, this includes activities needed to correct the redevelopment conditions under the TIF Act, including public improvements, earthwork, site utilities, paving, site concrete, landscaping, site accessories, fencing, public and private utility services, building demolition, clearance of the site, abatement of contaminants, on-site parking and other site development expenses, allowed by the TIF Act.

The City plans to enter into a development agreement that defines the means for verifying The Project Costs for reimbursement and the means of disbursing tax increments collected by the City to the Developer.

### **3.04.3 *Estimated Sources and Uses of Funds***

The Total Estimated Tax Increment Revenues and the Total Estimated Project/Financing Costs to be Paid from Tax Increments are itemized in Figure 3-1. These estimates are based on the best available information. The City reserves the right to administratively adjust the amount of the items listed, or to incorporate additional eligible items, under Estimated Project/Financing Costs (to be paid or financed with tax increment) in Figure 3-1, so long as the Estimated Tax Increment Project Costs amount, before financing costs, is not increased. Any administrative adjustments shall be approved by a resolution of the City Council.

**FIGURE 3-1**  
**ESTIMATED SOURCES AND USES OF FUNDS**

	<b>Total</b>
<b>Estimated Tax Increment Revenues (from tax increment generated by the district)</b>	
Tax increment revenues distributed from the county	\$300,235
Interest and investment earnings	\$5,000
Sales/lease proceeds	\$0
Market value homestead credit	\$0
<b>Total Estimated Tax Increment Revenues</b>	<b>\$305,235</b>
<b>Estimated Project/Financing Costs (to be paid or financed with tax increment)</b>	
Project costs	
Land/building acquisition	\$150,000
Site improvements/preparation costs	\$45,000
Utilities	\$0
Other public improvements	\$0
Construction of affordable housing	\$0
Small city authorized costs, if not already included above	\$0
Administrative costs	\$30,000
<b>Estimated Tax Increment Project Costs</b>	<b>\$225,000</b>
Estimated financing costs	
Interest expense	\$80,235
<b>Total Estimated Project/Financing Costs to be Paid from Tax Increment</b>	<b>\$305,235</b>
<b>Estimated Financing</b>	
Total amount of bonds to be issued	\$305,235

#### 3.04.4 Administrative Costs

The City plans to use tax increment revenues to pay for administrative expenses for the TIF District. The use of tax increment revenues to pay administrative expenses will not exceed the maximum amount of ten percent of tax increment revenues pursuant to the TIF Act. The City will use these monies to pay for and reimburse the City for costs of administering the TIF district as allowed by the TIF Act. The estimated amount of tax increment revenue planned to pay administrative expense is shown in Figure 3-1. Anticipated administrative expenses of the TIF District include annual audit of the fund for TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement, among other costs.

#### 3.04.5 County Road Costs

The Development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

#### 3.04.6 Bonded Indebtedness

The total amount of bonds estimated to be issued is shown in Figure 3-1 in Section 3.04.3 of the TIF Plan. Any bonds to which payment for tax increment is pledged is a tax increment bond. A tax increment bond issued in connection with "any project for which tax increment financing

has been undertaken” must be one of the types of bonds expressly authorized by Section 469.178 of the TIF Act. The types of bonds expressly authorized by Section 469.178 of the TIF Act are: municipality general obligation bonds; authority general obligation bonds; authority revenue bonds (including pay-go); and interfund loans or advances. The City reserves the right to use any of these types of bonds pursuant to the TIF Act and the TIF Plan.

#### **3.04.7 Duration of TIF District**

The duration of the TIF District is fifteen (15) years. No tax increments shall in any event be paid to the City after fourteen (14) years after receipt by the City of the first increment for the TIF District.

The anticipated first month and year of tax increment collection is July 2023 and the estimated decertification date is December 31, 2037. This is based on construction commencement of the Development in year 2021.

#### **3.04.8 Estimated Impact on Other Taxing Jurisdictions**

Exhibit III and IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the Development would not occur without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the Development therein becomes part of the general tax base.

The City anticipates minimal impact of the Development on city-provided services. There should be minimal, if any, impact on water and sewer usage. The City does not anticipate any significant increase in police and fire protection duties due to the Development.

#### **3.04.9 Prior Planned Improvements**

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor. If building permits had been issued during this time period, then the County Auditor would increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

## **ARTICLE IV – ADMINISTERING THE TIF DISTRICT**

### **SECTION 4.01 FILING AND CERTIFICATION**

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan, the City shall submit a copy of the TIF Plan to the Minnesota Department of Revenue and the Office of the State Auditor.
2. The City shall request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements.
3. The City shall send the County Assessor any assessment agreement establishing the minimum market value of land and improvements within the TIF District and shall request that the County Assessor review and certify the assessment agreement as reasonable. The City does not expect to enter into an assessment agreement in connection with the Development.

## **SECTION 4.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN**

The City reserves the right to modify the TIF District and the TIF Plan. Under current State Law, the following actions can only be approved only after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Project Costs.
- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City Council. In addition, the original approval process does not apply if (1) the only modification is elimination of parcels from the TIF District and (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

## **SECTION 4.03 CORRECTING REDEVELOPMENT CONDITIONS**

Section 469.176, Subd. 4j of the TIF Act requires that at least 90% of the revenues derived from tax increments from the TIF District be used to finance the cost of correcting conditions that allow designation as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

## **SECTION 4.04 4-YEAR KNOCKDOWN RULE**

The 4-Year Knockdown Rule requires that if after four years from certification of the TIF District no demolition, rehabilitation, renovation or site improvement, including a qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.



#### **SECTION 4.05 POOLING/5-YEAR RULE**

An amount equal to at least 75% of the total revenue derived from tax increments paid by properties in the TIF District must be expended on activities in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the TIF District or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25% of the total revenue derived from tax increments paid by properties in the TIF District may be expended, through a development fund or otherwise, on activities outside of the TIF District but within the defined geographic area of the Project Area except to pay, or secure payment of, debt service on credit enhanced bonds.

Revenue derived from tax increments paid by properties in the TIF District are considered to have been "spent" within the TIF District if such amounts are:

- actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

It is anticipated that all revenue derived from tax increments paid by properties in the TIF District will be spent or obligated within the first five years of the TIF District and spent on Project Costs within the boundaries of the TIF District.

#### **SECTION 4.06 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS**

The City will comply with the annual reporting requirements of State Law pursuant to the guidelines of the Office of the State Auditor. Under current law, the City must prepare and submit a report on the TIF district on or before August 1 of each year. The City must also annually publish in a newspaper of general circulation in the City an annual statement for each tax increment financing district.

The reporting and disclosure requirements outlined above begin with the year the district was certified, and shall end in the year in which both the district has been decertified and all tax increments have been spent or returned to the county for redistribution. Failure to meet these requirements, as determined by the State Auditors Office, may result in suspension of distribution of tax increment.

#### **SECTION 4.07 BUSINESS SUBSIDY COMPLIANCE**

The City will comply with the business subsidies requirements as specified in Minnesota Statutes, Sections 116J.993 to 116J.995.

**Exhibit I**  
**City of La Crescent**  
**Tax Increment Financing District No. 1-9**  
**Present Value Analysis**  
**Section 469.175(3)(b)(2) of the TIF Act**  
***Nolop and Sons***

1	Estimated Future Market Value w/ Tax Increment Financing	862,106 <sup>1</sup>
2	Payable 2020 Market Value	<u>97,600</u>
3	Market Value Increase (1-2)	764,506
4	Present Value of Future Tax Increments	<u>216,527</u>
5	Market Value Increase Less PV of Tax Increments	547,979
6	Estimated Future Market Value w/o Tax Increment Financing	112,189 <sup>1</sup>
7	Payable 2020 Market Value	<u>97,600</u>
8	Market Value Increase (6-7)	<u>14,589</u>
9	Increase in MV From TIF	<u><u>533,390</u></u> <sup>2</sup>

<sup>1</sup> Assume 1.00% annual appreciation over 15 year life of district.

<sup>2</sup> Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

**Exhibit II**  
**City of La Crescent**  
**Tax Increment Financing District No. 1-9 (Redevelopment)**  
**Nolop and Sons**  
**Projected Tax Increment Cash Flow**

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV) <sup>1</sup>	Tax Capacity	Less Base Tax Capacity <sup>4</sup>	Captured Tax Increment (TIF)	Less State Fee	Available TIF	Present Value of Available TIF <sup>5</sup>	TIF for City Admin Costs	Present Value of TIF to City <sup>5</sup>	Net Available TIF to Developer <sup>5</sup>	Present Value of Net Available TIF to Developer <sup>6</sup>
1	2023	750,000	13,500	(1,464)	18,565	(67)	18,498	17,490	1,850	1,749	16,648	15,741
2	2024	757,500	13,635	(1,464)	18,774	(68)	18,706	34,490	1,871	3,449	16,836	31,041
3	2025	765,075	13,771	(1,464)	18,984	(68)	18,916	51,012	1,892	5,101	17,024	45,911
4	2026	772,726	13,909	(1,464)	19,196	(69)	19,127	67,070	1,913	6,707	17,214	60,363
5	2027	780,453	14,048	(1,464)	19,411	(70)	19,341	82,678	1,934	8,268	17,407	74,410
6	2028	788,258	14,189	(1,464)	19,627	(71)	19,556	97,846	1,956	9,785	17,601	88,062
7	2029	796,140	14,331	(1,464)	19,846	(71)	19,775	112,588	1,977	11,259	17,797	101,329
8	2030	804,102	14,474	(1,464)	20,067	(72)	19,995	126,916	1,999	12,692	17,995	114,224
9	2031	812,143	14,619	(1,464)	20,291	(73)	20,218	140,840	2,022	14,084	18,196	126,756
10	2032	820,264	14,765	(1,464)	20,516	(74)	20,442	154,373	2,044	15,437	18,398	138,936
11	2033	828,467	14,912	(1,464)	20,744	(75)	20,669	167,525	2,067	16,752	18,602	150,772
12	2034	836,751	15,062	(1,464)	20,974	(76)	20,898	180,306	2,090	18,031	18,809	162,275
13	2035	845,119	15,212	(1,464)	21,206	(76)	21,130	192,726	2,113	19,273	19,017	173,454
14	2036	853,570	15,364	(1,464)	21,441	(77)	21,364	204,797	2,136	20,480	19,227	184,317
15	2037	862,106	15,518	(1,464)	21,678	(78)	21,600	216,527	2,160	21,653	19,440	194,874
		<b>TOTAL =</b>			301,320	(1,085)	300,235	216,527	30,024	21,653	270,212	<b>194,874</b>

**Key Assumptions for Cash Flow:**

- 1 Taxable market value (TMV) annual growth assumption = 1.00%
- 2 Original Tax Capacity Rate estimated based on Taxes Payable Year 2020.
- 3 Election for captured tax capacity is 100.00%
- 4 Base Tax Capacity is calculated based on a TMV = \$97,600.
- 5 Present value is calculated based on semi-annual payments, 4.0% interest rate, and date of 6/1/2022.
- 6 Present value of net available TIF equals the maximum amount of developer project costs that may be reimbursed from tax increments.
- 7 Assumption for TMV is preliminary. Break-down of valuation for the estimated two residential apartment units was not available. The valuation and tax capacity for the apartment units will be different than what is estimated at this time. Impact to preliminary estimated tax increments should be minimal.

**TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 1-9**

**Exhibit III  
City of La Crescent  
Tax Increment Financing District No. 1-9  
Impact on Other Taxing Jurisdictions  
(Taxes Payable 2020)  
Nolop and Sons**

**Annual Tax Increment**

Estimated Annual Captured Tax Capacity (Full Development)	\$14,054
Payable 2020 Local Tax Rate	154.248%
Estimated Annual Tax Increment	\$21,678

**Percent of Tax Base**

	<b>Net Tax Capacity (NTC)</b>	<b>Captured Tax Capacity</b>	<b>Percent of Total NTC</b>
City of La Crescent	4,785,804	14,054	0.29%
Houston County	19,743,510	14,054	0.07%
ISD 300	8,280,018	14,054	0.17%

**Dollar Impact of Affected Taxing Jurisdictions**

	<b>Net Tax Capacity (NTC)</b>	<b>% of Total</b>	<b>Tax Increment Share</b>	<b>Added Local Tax Rate</b>
City of La Crescent	63.838%	41.387%	8,972	0.187%
Houston County	62.276%	40.374%	8,752	0.044%
ISD 300	28.134%	18.239%	3,954	0.048%
Other	0.000%	0.000%	0	
Totals	154.248%	100.000%	21,678	

*NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.*

*NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.*

**TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 1-9**

**Exhibit IV  
City of La Crescent  
Tax Increment Financing (Redevelopment) District No. 1-9  
Nolop and Sons  
Estimated Tax Increments Over Maximum Life of District**

*Based on Pay 2020 Tax Rate = 154.248%      63.838%      62.276%      28.134%      0.000%*

TIF District	Taxes Payable Year	New Taxable Market Value	New Tax Capacity	Base Tax Capacity	Captured Tax Capacity	Estimated Total Tax Increment	City TIF Related Share	County TIF Related Share	School TIF Related Share	Other TIF Related Share
1	2023	750,000	13,500	(1,464)	12,036	18,565	7,684	7,496	3,386	-
2	2024	757,500	13,635	(1,464)	12,171	18,774	7,770	7,580	3,424	-
3	2025	765,075	13,771	(1,464)	12,307	18,984	7,857	7,665	3,463	-
4	2026	772,726	13,909	(1,464)	12,445	19,196	7,945	7,750	3,501	-
5	2027	780,453	14,048	(1,464)	12,584	19,411	8,033	7,837	3,540	-
6	2028	788,258	14,189	(1,464)	12,725	19,627	8,123	7,924	3,580	-
7	2029	796,140	14,331	(1,464)	12,867	19,846	8,214	8,013	3,620	-
8	2030	804,102	14,474	(1,464)	13,010	20,067	8,305	8,102	3,660	-
9	2031	812,143	14,619	(1,464)	13,155	20,291	8,398	8,192	3,701	-
10	2032	820,264	14,765	(1,464)	13,301	20,516	8,491	8,283	3,742	-
11	2033	828,467	14,912	(1,464)	13,448	20,744	8,585	8,375	3,784	-
12	2034	836,751	15,062	(1,464)	13,598	20,974	8,680	8,468	3,826	-
13	2035	845,119	15,212	(1,464)	13,748	21,206	8,777	8,562	3,868	-
14	2036	853,570	15,364	(1,464)	13,900	21,441	8,874	8,657	3,911	-
15	2037	862,106	15,518	(1,464)	14,054	21,678	8,972	8,752	3,954	-
<b>Total</b>						<b>301,320</b>	<b>124,708</b>	<b>121,656</b>	<b>54,960</b>	<b>-</b>

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee.

**EXHIBIT V**  
**DOCUMENTS AND REPORTS FOR REDEVELOPMENT FINDINGS**



January 13, 2021

**SUBJECT:** 31 Walnut Street South, Inspection Report  
**LOCATION:** 31 Walnut Street South, La Crescent, MN  
Parcel Number: 250046000

This report represents the opinion of Shawn Wetterlin Certified Building Official #BO667438 during an inspection of exposed elements. No testing, removal of roofing or wall coverings was done.

1. ESTIMATED BUILDING VALUE: \$ 97,600
2. ESTIMATED COSTS TO CORRECT BUILDING CODE DEFICIENCIES: \$ 40,000
3. PERCENTAGE OF REPLACEMENT COST: 41%
4. DETAILS ON DEFECTS OF CODE DEFICIENCIES:

Roof replacement	\$ 7,000
Furnace & Air Conditioning	\$ 7,500
Water Heater	\$ 1,500
Windows and door replacement	\$ 9,000
Asbestos Abatement	\$ 5,000
ADA Restroom requirements	\$ 10,000

It is my opinion that this building is substandard as defined by Minnesota Statutes, Section 469.174, Subdivision 10c.

- a. Building Code deficiencies total more than 15% of replacement cost.
- b. Substantial renovation is required to correct conditions found.

Respectfully Submitted,

*Shawn Wetterlin*  
Shawn Wetterlin

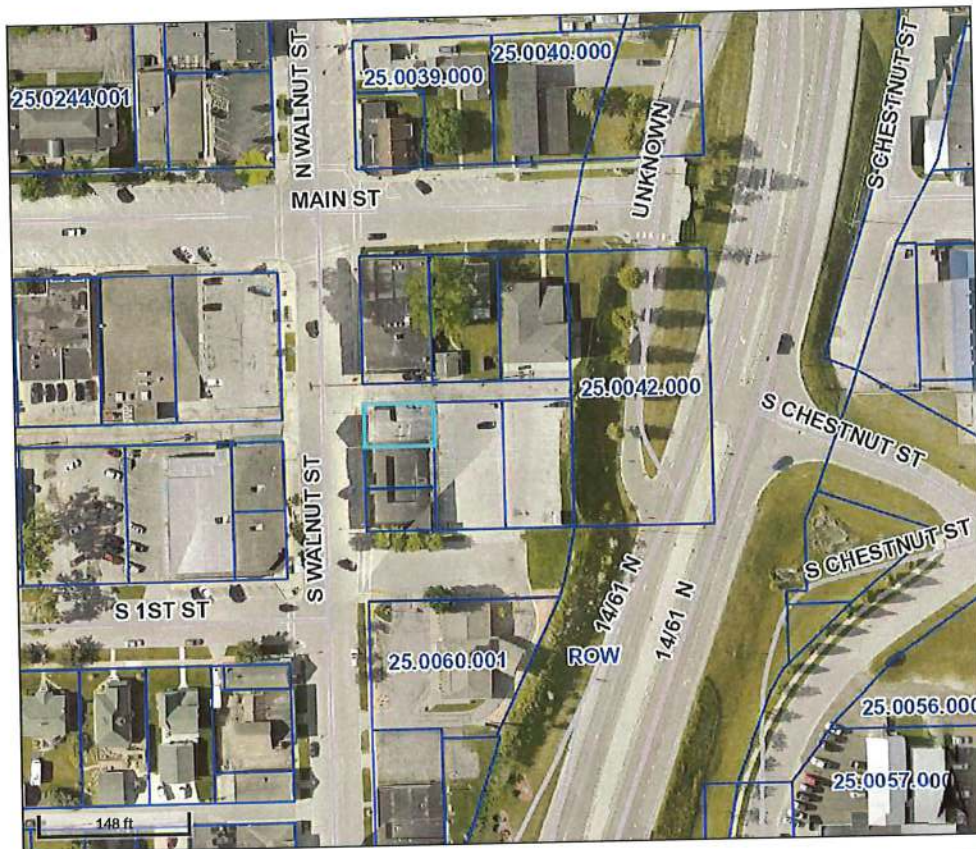
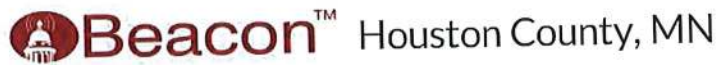
Growing from River to Ridge

CITY OF LA CRESCENT  
315 Main Street  
P.O. BOX 142  
La Crescent, MN 55947  
P: (507) 895-2595  
cityoflacrecent-mn.gov





COVERAGE TEST MAP



Overview



Legend

- Corporate Limits
- Political Township
- Parcels
- Roads

Parcel ID	250046000	Alternate ID	n/a	Owner Address	BRYCAMBRIA PROPERTIES LLC
Sec/Twp/Rng	10/104/004	Class	Commercial		25 WALNUT ST S
Property Address	31 WALNUT ST S	Acreage	0.06		LA CRESCENT, MN 55947
	LACRESCENT				
District	LCSTC/SD300/FD6				
Brief Tax Description	NORTH 40 FT LOT 6 - BLK 7 MANTON PLAT DOC #221389 & #221390				
	(Note: Not to be used on legal documents)				

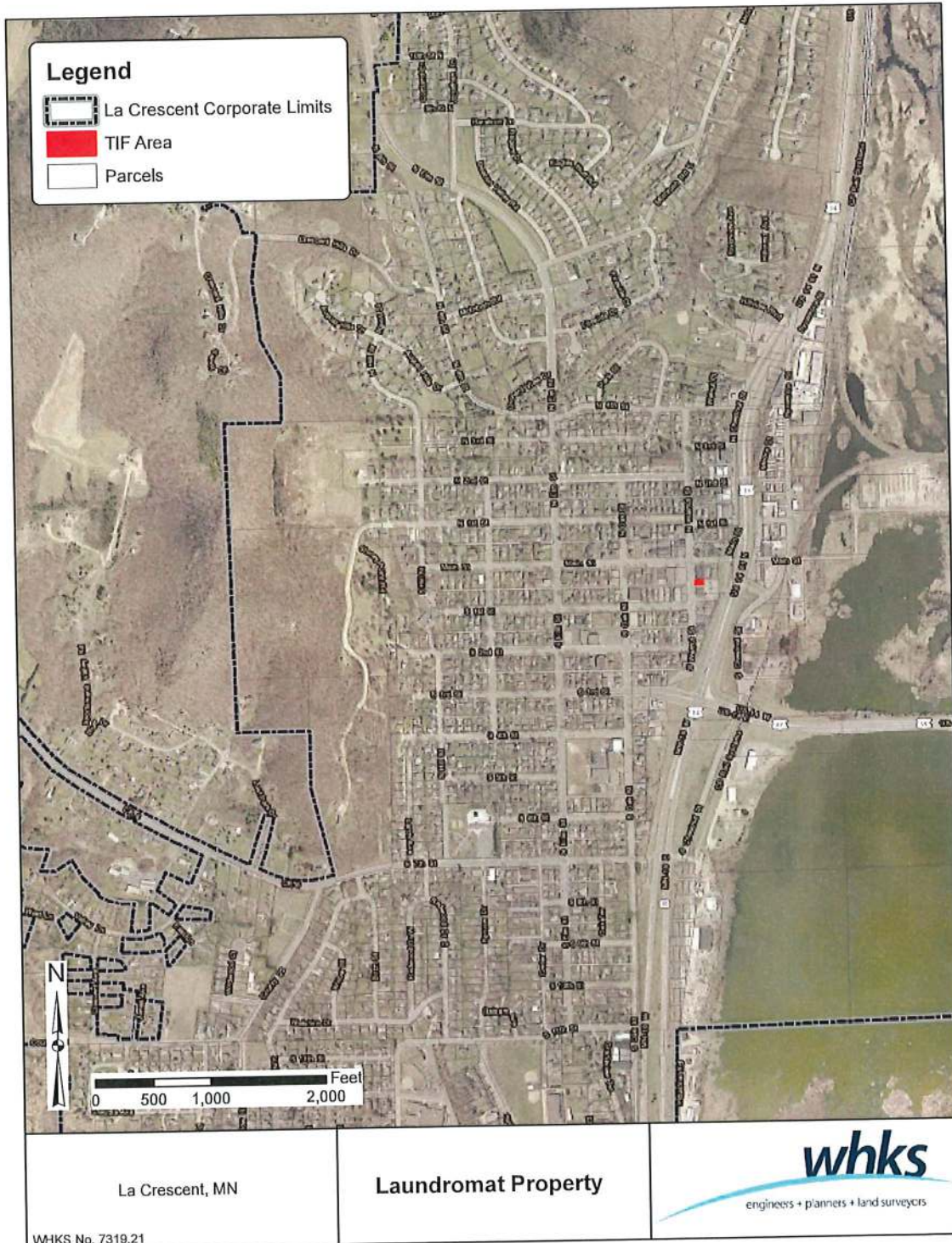
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Developed by Schneider  
GEOSPATIAL



EXHIBIT VI

MAP OF BOUNDARIES OF DEVELOPMENT DISTRICT NO. 1 AND TAX  
INCREMENT FINANCING DISTRICT NO. 1-9



DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF LA CRESCENT, MINNESOTA

AND

31 SOUTH WALNUT LLC

This document drafted by:

WIESER LAW OFFICE, P.C.  
Al Wieser, III  
33 South Walnut Street  
Suite 200  
La Crescent, MN 55947

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of La Crescent, Minnesota (the "City"), a municipal corporation existing under the laws of the State of Minnesota and 31 South Walnut LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.133, the City has heretofore established Municipal Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing District No. 1-9 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, the reimbursement by the City for costs of the acquisition of the Development Property and the construction of Site Improvements incurred by the Developer for a redevelopment project are objectives of the Development Program and Tax Increment Financing Plan; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, a major objective of the Development Program and Tax Increment Financing Plan is to assist redevelopment and prevent the further deterioration of land located within the Development District; and

WHEREAS, the City believes that the development, acquisition and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, apply to this Agreement; and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published; and

WHEREAS, the Council has approved this Agreement as a subsidy agreement under the Business Subsidy Law; and

WHEREAS, creation and retention of jobs is not a goal of this Agreement and the City will not require setting the wage and job goals for the Project; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

## ARTICLE I

### DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement, as the same may be from time to time modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of La Crescent, Minnesota, its successors and assigns;

County means Houston County, Minnesota;

Developer means 31 South Walnut LLC, a Minnesota limited liability company, its successors and assigns;

Development District means the real property included in Municipal Development District No. 1 heretofore established;

Development Program means the Development Program approved in connection with the Development District;

Development Property means the real property described in Exhibit A attached to this Agreement;

Event of Default means any of the events described in Section 6.1 hereof;

Note Payment Date means August 1, 2023, and each February 1 and August 1 of each year thereafter to and including February 1, 2038; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in St. Paul, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the acquisition, construction and equipping of a mixed commercial use building of approximately 4,800 square feet including two (2) residential housing units on the second floor, among other amenities, on the Development Property located in the City;

Site Improvements means the site improvements undertaken or to be undertaken on the Development Property, more particularly described on Exhibit C attached hereto;

State means the State of Minnesota;

Tax Increments means 90% of the tax increments derived from the Tax Increment District which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177 for any year;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing District No. 1-9 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on March 22, 2021, and any future amendments thereto;

TIF Note means the Tax Increment Revenue Note (31 South Walnut LLC Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10, and was created, adopted, and approved in accordance with the terms of the Tax Increment Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and Site Improvements incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so, is not in violation of any provisions of its articles of organization, member control agreement, operating agreement, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.



(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.

(7) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(8) The Developer shall commence construction by May 1, 2021, and substantially complete the construction of the Project by December 31, 2021, subject to Unavoidable Delays.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and a portion of the costs of the Site Improvements as provided in Article III.

### ARTICLE III

#### CONSTRUCTION OF PROJECT

Section 3.1. Construction of Project. The Developer agrees that they will cause the Project on the Development Property to be constructed substantially in conformance with the approved Construction Plans. The Developer agrees that the scope and scale of the Project to be constructed shall not be significantly less than the scope and scale of the Project as detailed and outlined in the Construction Plans.

Section 3.2. Construction Plans. The Developer shall cause to be provided to the City Construction Plans, which shall be subject to approval by the City as provided in this Section 3.2. The Construction Plans shall provide for the Project to be constructed on the Development Property, and shall be in conformity with this Agreement, and all applicable state and local laws and regulations. The City shall approve the Construction Plans in writing if: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Project; and (d) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 3.2 shall constitute approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the City with respect to any building, zoning or other ordinances or regulation of the City, and shall not be deemed to be sufficient plans to serve as the basis for the issuance of a building permit if the Construction Plans are not as detailed or complete as the plans otherwise required for the issuance of a building permit.

The Construction Plans must be rejected in writing by the City within thirty (30) days of submission or shall be deemed to have been approved by the City. If the City rejects the Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after receipt by the Developer of written notification of the rejection, accompanied by a written statement of the City specifying the respects in which the Construction Plans submitted by the Developer fail to conform to the requirements of this Section 3.2. The provisions of this Section 3.2 relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City; provided, however, that in any event the Developer shall submit Construction Plans which are approved prior to reconveyance of the Development Property to the Developer by the City or commencement of construction of the Project. Approval of the Construction Plans by the City shall not relieve the Developer of any obligation to comply with the terms and provisions of this Agreement, or the provision of applicable federal, state and local laws, ordinances and regulations, nor shall approval of the Construction Plans by the City be deemed to constitute a waiver of any Event of Default.

If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval. If the Construction Plans, as modified by the proposed change, conform to the approval criteria listed in this Section 3.2 with respect to the original Construction Plans and do not constitute a material modification to the scope, size or use of the Project or to the site plan therefor, the City

shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the City unless rejected in writing within ten (10) days by the City with a statement of the City's reasons for such rejection.

Section 3.3. Completion of Construction. Subject to Unavoidable Delays the Developer shall have substantially completed the Project on or before December 31, 2021. All work with respect to the Project to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans as submitted by the Developer and approved by the City.

The Developer agrees that it shall cause to be allowed designated representatives of the City to enter upon the Development Property during the construction of the Project to inspect such construction during normal working hours, on reasonable advance written notice of such inspection.

## ARTICLE IV

### INSURANCE

#### Section 4.1. Insurance.

(1) The Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Project (and, from time to time at the request of the City, furnish the City with certificates of insurance on):

(a) Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available on the so-called "all risk" form of policy; the interest of the City shall be protected by naming the City as an additional named insured;

(b) Commercial general liability insurance (including operations, premises, "X.C.U." where applicable, Products/Completed Operations, Contractual Liability, Broad Form Property Damage and Independent Contractors with limits against bodily injury and property damage of not less than \$1,000,000, together with excess umbrella limits of not less than \$1,000,000;

(c) Worker's compensation insurance, with statutory coverage; and

(d) Railroad protective policy, if any required.

(2) Upon completion of construction of the Project and prior to the expiration of this Agreement, the Developer shall maintain, or cause to be maintained, at its cost and expense, insurance as follows:

(a) Insurance against loss and/or damage to the Project under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Project. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City. The term "full insurable replacement value" shall mean the actual replacement cost of the Project (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment. All policies evidencing insurance required by this subparagraph (i) with respect to the Project shall be carried in the name of the Developer. The City and the holder of the first mortgage will be represented on such policies, as their respective interests may appear.

(b) Commercial general public liability insurance, including personal injury liability for injuries to persons and/or damages to property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development

Property, in the minimum amount for each year of \$1,000,000 (together with excess umbrella limits of not less than \$1,000,000).

(c) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.

(3) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer shall deposit annually with the City a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel or materially modify it without giving written notice to the Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. As soon as reasonably possible, the Developer shall furnish the City evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms hereof. In lieu of separate policies, the Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Project.

(4) The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Project or any portion thereof resulting from fire or other casualty. Subject to the provisions of any first mortgage, Net Proceeds of any insurance shall be paid directly to the Developer, and the Developer will forthwith repair, reconstruct and restore the Project to substantially the same or an improved condition or value as they existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the Net Proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

(5) The Developer shall complete the repair, reconstruction, and restoration of the Project, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient.

#### Section 4.2. Relationship to Mortgagee.

(1) The provisions of Section 5.1 shall be subject to the subordination, modification and waiver provisions of subsection (2) below but shall otherwise remain in full force and effect with respect to the Developer's obligations to maintain insurance, notify the City of any casualty and reconstruct the Project upon such casualty unless provision is made to the satisfaction of the City for the reimbursement of all public redevelopment costs incurred by the City in connection with the Project.

(2) In order to facilitate the obtaining of financing for the construction of the Project, the City agrees that they shall agree to any reasonable modification of this Article V, intercreditor agreement or waiver of its rights hereunder to accommodate the interests of the holder of the first mortgage, provided, however, that the City determines, in their reasonable judgment, that any such modification(s) will adequately protect the legitimate interests and security of the City with respect to the Project.

Section 4.3. Condemnation. In the event that title to and possession of the Project or any other material part thereof shall be taken in condemnation or by the exercise of the power of eminent domain by any governmental body or other person (except the City), so long as the this Agreement shall remain in effect, the Developer shall, with reasonable promptness after such taking, notify the City as to the nature and extent of such taking.

Section 4.4. Reconstruction or Payment. Upon receipt of any condemnation award or property insurance proceeds, the Developer shall use the entire condemnation award to reconstruct the Project (or, in the event only a part of Project have been taken, then to reconstruct such part) upon the Development Property or elsewhere within the Tax Increment District; provided, however, that the Developer may instead elect to pay to the City out of the condemnation award or property insurance proceeds, if and to the extent any such condemnation award or property insurance proceeds are sufficient for such purpose an amount to redeem the Bonds at their earliest call date.

## ARTICLE V

### EVENTS OF DEFAULT

Section 5.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed and special assessments or other City charges with respect to the Development Property.

(2) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions, and limitations of this Agreement.

(3) Failure of the Developer to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement.

(4) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(5) If the Developer shall:

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) make an assignment for the benefit of its creditors; or

(c) admit in writing its inability to pay its debts generally as they become due;  
or

(d) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 5.2. Remedies on Default. Whenever any Event of Default referred to in Section 6.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may cancel and rescind the Agreement and the TIF Note.

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 5.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 5.6. Indemnification of City.

(1) The Developer (a) releases the City and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in



this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Project causing the Tax Increment District to not qualify or cease to qualify as a "redevelopment district" under Section 469.174, Subdivision 10, of the Act and Section 469.176, Subdivision 4j. or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

## ARTICLE VI

### OTHER COVENANTS

Section 6.1. Real Property Taxes. Prior to the expiration of this Agreement, the Developer shall pay all real property taxes payable with respect to the Development Property until title to the property is vested in another person.

The Developer agrees that prior to the expiration of this Agreement:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under any State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement.

(4) It will not seek a reduction in the market value as determined by the Houston County Assessor of the Project or other facilities, if any, that it constructs on the Development Property, pursuant to the provisions of this Agreement, for so long as the TIF Note remain outstanding.

## ARTICLE VII

### ADDITIONAL PROVISIONS

Section 7.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a mixed commercial use building of approximately 4,800 square feet including two (2) residential housing units on the second floor and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 7.2. Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 7.3. Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 7.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

31 South Walnut LLC  
Attention: Troy Nolop  
25 South Walnut Street  
La Crescent, MN 55947

- (2) in the case of the City is addressed to or delivered personally to the City at:

City of La Crescent, Minnesota  
Attention: Administrator  
P.O. Box 142  
315 Main Street  
La Crescent, MN 55947

with a copy to:

Wieser Law Office, P.C.  
Attention: Al Wieser, III  
33 South Walnut Street  
Suite 200  
La Crescent, MN 55947

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 7.5. City Expense. Developer agrees to reimburse City one-half (1/2) of the actual cost of services provided by Northland Securities, Inc., not to exceed Four Thousand Five Hundred 00/100 Dollars (\$4,500.00). Reimbursement to be made prior to May 1, 2021.

Section 7.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 7.7. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 7.8. Expiration. This Agreement shall expire on the earlier of (i) February 1, 2038, (ii) the date the TIF Note is paid in full or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

Section 7.9. Provisions Surviving Rescission or Expiration. Sections 6.5 and 6.6 shall survive any rescission, termination, or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 7.10. Assignability of Agreement. This Agreement may be assigned only with the consent of the City. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF LA CRESCENT, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its Administrator

This is a signature page to the Development Agreement by and between the City of La Crescent, Minnesota and 31 South Walnut LLC.

31 SOUTH WALNUT LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

This is a signature page to the Development Agreement by and between the City of La Crescent, Minnesota and 31 South Walnut LLC.

EXHIBIT A

Description of Development Property

THE NORTH FORTY (40) FEET OF LOT SIX (6) IN BLOCK SEVEN (7) OF MANTON  
PLAT IN THE CITY OF LA CRESCENT, HOUSTON COUNTY, MINNESOTA.

Tax Parcel No. 25-0046-000

EXHIBIT B

Form of TIF Note

No. R-1

\$195,000.00

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HOUSTON  
CITY OF LA CRESCENT

TAX INCREMENT REVENUE NOTE  
(31 SOUTH WALNUT LLC PROJECT)

The City of La Crescent, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to 31 South Walnut LLC (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$195,000 as provided in that certain Development Agreement, dated as of \_\_\_\_\_, 2021, as the same may be amended from time to time (the "Development Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of four and no hundredths percent (4.00%) per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2023, and on each February 1 and August 1 thereafter to and including February 1, 2038, or, if the first should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of 90% the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal.

The Payment Amounts due hereon shall be payable solely from Tax Increments (as defined in the Development Agreement) derived from the City's Tax Increment Financing District No. 1-9 (the "Tax Increment District") within its Municipal Development District No. 1 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 6.2(2) thereof, on the date the Tax



Increment District is terminated, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

The Tax Increment District includes properties other than the Development Property and Houston County remits Tax Increment to the City on the basis of the Captured Tax Capacity of the entire Tax Increment District. For purposes of this Tax Increment Revenue Note, the City will determine Tax Increment generated from the Development Property and improvements thereon in its sole discretion.

The City makes no representation or covenant, express or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only with the consent of the City which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of La Crescent, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and Administrator and has caused this Note to be dated as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Mayor

**DO NOT DATE AND EXECUTE UNTIL COMPLIANCE WITH THE PROVISIONS OF  
SECTION 3.1(3).**

## CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of \_\_\_\_\_, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF <u>REGISTERED OWNER</u>	DATE OF <u>REGISTRATION</u>	SIGNATURE OF <u>ADMINISTRATOR</u>
31 South Walnut LLC Attention: Troy Nolop 25 South Walnut Street <u>La Crescent, MN 55947</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## EXHIBIT C

### Site Improvements

Landscaping, including irrigation  
Foundations and Footings  
Grading/earthwork  
Engineering  
Survey  
Environmental Testing  
Soil Borings  
Site Preparation  
Onsite Utilities  
Storm Water/Ponding  
Outdoor Lighting  
Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements

#3.1



TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator *BW*  
DATE: March 18, 2021  
RE: Bond Sale Award Resolution

Attached for review and consideration by the City Council is a bond sale summary and a resolution providing for the issuance and sale of \$770,000 in general obligation sewer revenue refunding bonds.

Tammy Omdal from Northland securities will be in attendance at the meeting vi zoom to review this with the City Council.

**RESOLUTION NO. 03-21-16**

**RESOLUTION PROVIDING FOR THE ISSUANCE AND AWARDED THE SALE OF  
\$770,000 GENERAL OBLIGATION SEWER REVENUE REFUNDING BONDS, SERIES  
2021A AND PLEDGING NET REVENUES FOR THE PAYMENT THEREOF**

A. WHEREAS, the City of La Crescent, Minnesota (the "City"), owns and operates a municipal water utility system (the "Water System") and a municipal sanitary sewer utility system (the "Sewer System" and together with the Water System, the "System"), and the net revenues of the Sewer System are pledged to the payment of the City's outstanding \$1,210,000 original principal amount of General Obligation Sewer Revenue Bonds, Series 2012A, dated March 1, 2012 (the "Prior Bonds"); and

B. WHEREAS, the City Council deems it desirable and in the best interests of the City to provide moneys for a current refunding of \$735,000 aggregate principal amount of the Prior Bonds which mature on and after December 1, 2021 (the "Refunded Bonds"), by calling them for redemption and prepayment on April 27, 2021 (the "Call Date"), all in accordance with the provisions of the resolution of the City Council adopted on January 23, 2012, authorizing the issuance of the Prior Bonds (the "Prior Resolution"); and

C. WHEREAS, the refunding of the Refunded Bonds is necessary and desirable for the reduction of debt service cost to the City; and

D. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$770,000 General Obligation Sewer Revenue Refunding Bonds, Series 2021A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 444 and 475 to provide moneys to currently refund the Refunded Bonds on the Call Date; and

E. WHEREAS, the net revenues of the System are pledged to the payment of the City's outstanding (i) "System Portion" of General Obligation Bonds, Series 2011A, in the original principal amount of \$1,175,000, dated August 1, 2011; (ii) "System Portion" and the "2008A Refunding Portion" of General Obligation Utility Revenue and Crossover Refunding Bond, Series 2015A, in the original principal amount of \$1,960,000, dated September 15, 2015; and (iii) "Utility Improvement Portion" of General Obligation Bonds, Series 2016A, in the original principal amount of 3,860,000, dated June 1, 2016; (iv) "Utility Improvement Portion" and the "2012B Refunding Portion" of General Obligation Bonds, Series 2019B, in the original principal amount of \$3,235,000, dated December 17, 2019; and (collectively, the "Outstanding System Bonds"); and

F. WHEREAS, no other obligations have been sold pursuant to a private sale within the last twelve calendar months of the date hereof which when combined with this issue would exceed the \$1,200,000 limitations on negotiated sales as required by Minnesota Statutes, Section 475.60, Subdivision 2(2); and

G. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Crescent, Minnesota, as follows:

1. Acceptance of Offer. The offer of Northland Securities, Inc. (the "Purchaser"), to purchase the Bonds in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefor the sum of \$\_\_\_\_\_, plus interest accrued to settlement, is hereby accepted.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated April 27, 2021, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), and shall mature on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$	2027	\$
2022		2028	
2023		2029	
2024		2030	
2025		2031	
2026			

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO, as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.
- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.
- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced



therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

- (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
- (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

- (iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose; Refunding Findings. The Bonds shall provide funds for a current refunding of the Refunded Bonds (the "Refunding"). It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, and shall result in a reduction of debt service cost to the City.

4. Interest. The Bonds shall bear interest payable semiannually on December 1 and June 1 of each year (each, an "Interest Payment Date"), commencing December 1, 2021, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2021	%	2027	%
2022		2028	
2023		2029	
2024		2030	
2025		2031	
2026			

5. Redemption. All Bonds maturing December 1, 2030, and thereafter, shall be subject to redemption and prepayment at the option of the City on December 1, 2029, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than

\$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
HOUSTON COUNTY  
CITY OF LA CRESCENT

R-\_\_\_\_\_ \$\_\_\_\_\_

GENERAL OBLIGATION SEWER REVENUE REFUNDING BOND, SERIES 2021A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	April 27, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF LA CRESCENT, HOUSTON AND WINONA COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on December 1 and June 1 of each year (each, an "Interest Payment Date"), commencing December 1, 2021, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is

paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. The Bonds of this issue (the "Bonds") maturing December 1, 2030, and thereafter, are subject to redemption and prepayment at the option of the Issuer on December 1, 2029, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such

Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$770,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on March 22, 2021 (the "Resolution"), for the purpose of providing funds for a current refunding of the Issuer's outstanding General Obligation Sewer Revenue Bonds, Series 2012A, dated March 1, 2012, which mature on December 1, 2021, and thereafter. This Bond is payable out of the General Obligation Sewer Revenue Refunding Bonds, Series 2021A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file with the Bond Registrar

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution of the Issuer and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of the municipal sanitary sewer system (the "Sewer System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Bonds, adequate to pay all principal and interest when due on the Bonds; and that the Issuer will levy a direct, annual, irrepealable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on the Bonds of this issue as they respectively become due, if the net revenues from the Sewer System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of La Crescent, Houston and Winona County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

\_\_\_\_\_

Registrable by: NORTHLAND TRUST SERVICES,  
INC.

Payable at: NORTHLAND TRUST SERVICES,  
INC.

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

CITY OF LA CRESCENT,  
HOUSTON COUNTY, MINNESOTA

This Bond is one of the  
Bonds described in the  
Resolution mentioned  
within.

/s/ Facsimile  
Mayor

NORTHLAND TRUST SERVICES, INC.  
Minneapolis, Minnesota  
Bond Registrar

/s/ Facsimile  
City Administrator

By: \_\_\_\_\_  
Authorized Signature

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - \_\_\_\_\_ as custodian for \_\_\_\_\_

(Cust) (Minor)

under the \_\_\_\_\_ Uniform

(State)

Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)



8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of April 27, 2021. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to make adequate and specific security to the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the "General Obligation Sewer Revenue Refunding Bonds, Series 2021A Fund"

(the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds herein authorized and the interest thereon shall have been fully paid. The Operation and Maintenance Account for the Sewer System heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the resolutions establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Bonds have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all net revenues of the Sewer System as hereinafter set forth. The Finance Director and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the Sewer System in accordance with this resolution. In such records there shall be established and maintained accounts of the Fund for the purposes as follows:

(a) Payment Account. The proceeds of the Bonds shall be deposited in the Payment Account. On or prior to the Call Date, the Finance Director shall transfer \$ \_\_\_\_\_ of Bond proceeds from the Payment Account to the paying agent for the Prior Bonds. The sums are sufficient, together with other funds on deposit in debt service funds for the Refunded Bonds, to pay the principal and interest due on the Refunded Bonds due on the Call Date. The remainder of the monies in the Payment Account shall be used to pay the costs of issuance of the Bonds. Any monies remaining in the Payment Account after payment of all costs of issuance and payment of the Refunded Bonds shall be transferred to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) the net revenues of the Sewer System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the account sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Bonds; (ii) any collections of all taxes which may hereafter be levied in the event that the net revenues of the Sewer System and other funds herein pledged to the payment of the principal and interest on the Bonds are insufficient therefor; (iii) any balance remaining after the Call Date, in the Prior Bonds General Obligation Sewer Revenue Bonds, Series 2012A Fund established by the Prior Resolution; (iv) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City fund or account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which

under then applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Coverage Test; Pledge of Net Revenues and Excess Net Revenues. It is hereby found, determined and declared that the net revenues of the Sewer System are sufficient in amount to pay when due the principal of and interest on the Bonds and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the System are sufficient in an amount to pay when due the principal and interest on the Outstanding System Bonds and a sum at least five percent in excess thereof. The net revenues of the Sewer System are hereby pledged on a parity lien with the Outstanding System Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Bonds as the same become due.

As used herein the term net revenues means the gross revenues derived by the City from the operation of the Sewer System, including all charges for service, use, availability, and connection to the Sewer System, and all monies received from the sale of any facilities or equipment of the Sewer System or any by-products thereof, less all normal, reasonable, or current costs of owning, operating, and maintaining the Sewer System. Excess net revenues of the Sewer System in excess of those required for the foregoing may be used for any proper purpose.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Sewer System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the Sewer System will be sufficient in addition to all other sources, for the payment of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

17. Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the Sewer System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations".

18. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the net revenues of the Sewer

System appropriated and pledged to the payment of the principal and interest on the Bonds, together with other funds irrevocably appropriated to the Payment Account or the Debt Service Account, shall at any time be insufficient to pay the principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the Payment Account or Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Payment Account or Debt Service Account when a sufficient balance is available therein.

19. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

20. Prior Bonds; Security and Prepayment. Until retirement of the Prior Bonds, all provisions theretofore made for the security thereof shall be observed by the City and all of its officers and agents. The Prior Bonds shall be redeemed and prepaid on the Call Date in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit A, which terms and conditions are hereby approved and incorporated herein by reference.

21. Supplemental Resolution. The Prior Resolution authorizing the issuance of the Prior Bonds is hereby supplemented to the extent necessary to give effect to the provisions hereof.

22. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at [www.emma.msrb.org](http://www.emma.msrb.org) in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Administrator or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

23. Certificate of Registration. The City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Houston County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register.

24. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

25. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

26. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross

income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States, if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- (a) the Bonds are issued by a governmental unit with general taxing powers;
- (b) no Bond is a private activity bond;
- (c) ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and
- (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

Furthermore:

- (e) there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;
- (f) the aggregate face amount of the Bonds does not exceed \$5,000,000;
- (g) each of the Refunded Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;
- (h) the average maturity of the Bonds does not exceed the average maturity of the Refunded Bonds; and
- (i) no part of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued.

27. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representation:

- (a) the Bonds are issued after August 7, 1986;

- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
  - (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
  - (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2021 will not exceed \$10,000,000;
  - (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code; and
  - (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.
- Furthermore:
- (g) each of the Refunded Bonds was designated as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;
  - (h) the aggregate face amount of the Bonds does not exceed \$10,000,000;
  - (i) the average maturity of the Bonds does not exceed the remaining average maturity of the Refunded Bonds;
  - (j) no part of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued; and
  - (k) the Bonds are issued to refund, and not to "advance refund" the Prior Bonds within the meaning of Section 149(d)(5) of the Code, and shall not be taken into account under the \$10,000,000 issuance limit to the extent the Bonds do not exceed the outstanding amount of the Prior Bonds.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

28. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Purchaser is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

29. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

30. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.



ADOPTED this 22<sup>nd</sup> day of March, 2021.

SIGNED:

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Mayor

ATTEST:

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City Administrator

#3.2



TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator *BW*  
DATE: March 18, 2021  
RE: Wagon Wheel Improvement Project

The plans and specifications for the third phase of the Wagon Wheel Improvement Project, the construction of a bicycle/pedestrian bridge are complete. The required approvals are being obtained from MnDOT so that the City may proceed with the approval of the plans and specifications and authorization to advertise for bids. City Engineer Tim Hruska will be in attendance at the meeting to review the project with the City Council.

In order to proceed, we would suggest that the City Council approve the plans and specifications for the project and authorize to advertise for bids, pending final approval from MnDOT.

MINNESOTA DEPARTMENT OF TRANSPORTATION  
CITY OF LA CRESCENT, MN  
WAGON WHEEL TRAIL - PHASE 3, SP 236-090-003

CONSTRUCTION PLAN FOR GRADING, AGGREGATE BASE, BITUMINOUS SURFACE, CONCRETE CURB & GUTTER, CONCRETE PAVEMENT AND BRIDGE #28024.

LOCATED ON SOUTH 1ST STREET FROM WALNUT STREET TO STREETEND, AND SOUTH CHESTNUT STREET FROM SYCAMORE ACCESS TO MAIN STREET, IN THE CITY OF LA CRESCENT.

LOCATED IN SECTIONS 10 T104N R4W, HOUSTON COUNTY, MN

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## UTILITY LOCATION

UTILITY LOCATION  
THE SUBSURFACE UTILITY INFORMATION IN THIS PLAN IS  
UTILITY QUALITY LEVEL D. THIS UTILITY LEVEL WAS  
DETERMINED ACCORDING TO THE GUIDELINES OF C/ASCE  
38-02, ENTITLED "STANDARD GUIDELINES FOR THE  
COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY  
DATA".

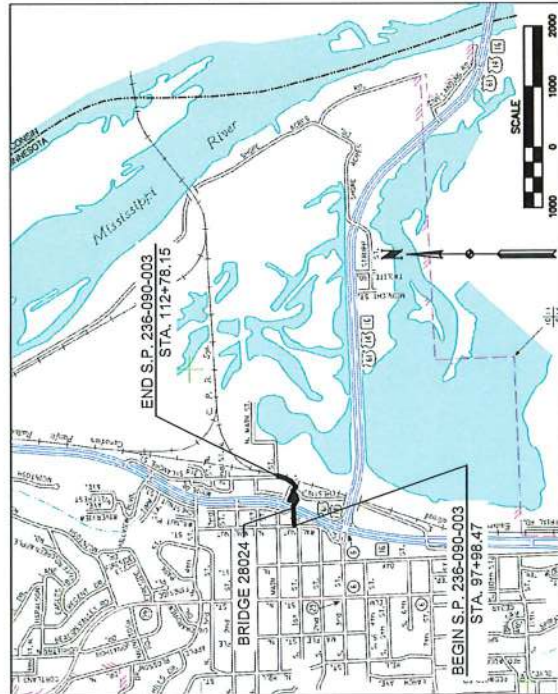
UTILITY LOCATION PERFORMED ON: 9-16-2019

GOPHER ONE CALL TICKET NUMBERS:

## III

UTILITY DESIGN MEETING HELD ON: T.B.D.

## PROJECT LOCATION



GROSS LENGTH	1479.68	FEET	0.280	MILES
BRIDGE LENGTH	753.77	FEET	0.143	MILES
EXCEPTIONS LENGTH	—	FEET	—	MILES
NET LENGTH	725.91	FEET	0.137	MILES

DESIGN DATA - ROADWAY	
ROADWAY NAME	SOUTH 1ST STREET
TRAFFIC LANE WIDTH	12.0'
SHOULDER WIDTH	N/A
PROJ. ADT 2041	100 (ESTIMATED)
AUT 2021	110 (ESTIMATED)
DESIGN STRENGTH	LOCAL
FUNCTIONAL CLASSIFICATION	2
NO. OF TRAFFIC LANES	2
NO. OF PARKING LANES	2
DESIGN SPEED	35 (ASSUMED)
DESIGN SPEED BASED ON SIGHT DISTANCE	11,000
DESIGN SPEED NOT ACHIEVED AT	50 MPH
HEIGHT OF EYE	STOPPING
DESIGN SPEED NOT ACHIEVED AT	3.5'
	N/A

DESIGN DATA - TRAIL	
DESIGN SPEED	20 MPH
HEIGHT OF EYE	4.5'
HEIGHT OF OBJECT	0'
DESIGN SPEED NOT ACHIEVED AT	NA



1-800-252-1166

THE 2018 EDITION OF THE MINNESOTA DEPARTMENT OF TRANSPORTATION  
"STANDARD SPECIFICATIONS FOR CONSTRUCTION" AND ANY SUPPLEMENTAL  
SPECIFICATIONS SHALL GOVERN.

## CITY OFFICIALS

**MAYOR:** MIKE POELLINGER

**COUNCIL:** RYAN HUTCHINSON  
CHERRYL JOSTAD  
TERESA O'DONNELL—EBNER  
DALE WILLIAMS

CITY ADMINISTRATOR: BILL WALLER  
UTILITY MAINTENANCE SUPERVISOR: JAY GILLET

LOCAL AGENCY SIGNATURES:

DESIGN ENGINEER:  
I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME  
OR UNDER MY DIRECT SUPERVISION, AND THAT I AM A DULY  
LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE  
STATE OF MINNESOTA.  
PRINT NAME: TIMOTHY A. HRUSKA LICENSE # 449370

APPROVED: \_\_\_\_\_ DATE: \_\_\_\_\_

## STATE AID APPROVALS:

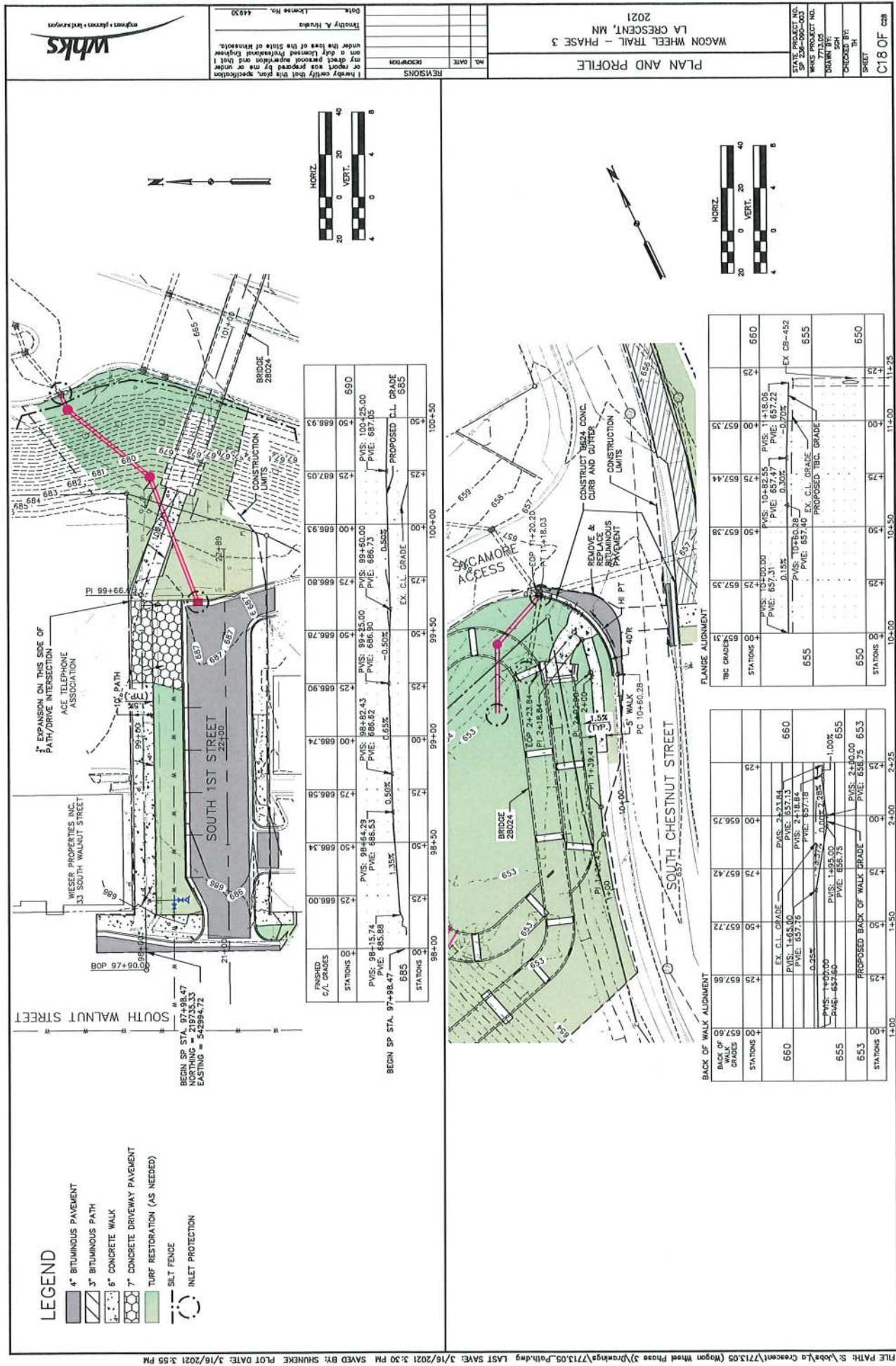
DATE: \_\_\_\_\_

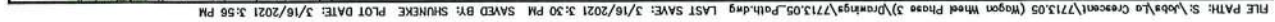
DISTRICT STATE AID ENGINEER: REVIEWED FOR COMPLIANCE  
WITH STATE AID AND/OR FEDERAL AID RULES/POLICY

DATE: \_\_\_\_\_

**STATE AID ENGINEER: APPROVED FOR STATE AID AND/OR  
FEDERAL AID FUNDING**











[illegible]

NO.	DESCRIPTION
S1-S4	GENERAL PLAN AND ELEVATION
S5	TYPICAL SECTIONS
S6	CORNER DETAILS
S7	BRIDGE LAYOUT AND FOUNDATION PLAN
S8-S17	ABUTMENT DETAILS
S18-S23	PIER DETAILS
S24-S43	STRUCTURE DETAILS
S54	LIGHTING AND ARCHITECTURAL DETAILS
S55	AS BUILT BRIDGE DATA
S56	AS BUILT SURVEY
S58	BRIDGE PLAN AND PROFILE
S62	SOIL BORINGS

STRUCTURE TYPE	SUMMARY
<b>SUPERSTRUCTURE</b>	
DECK (SPAN 1)	PREFABRICATED STEEL TRUSS WITH CONCRETE
C.P. CONTINUOUS SLAB (SPANS 2 - 4)	C.P. CONTINUOUS SLAB (SPANS 2 - 4)
ALL BARS	EPOXY COATED
<b>SUBSTRUCTURE</b>	
PIERS 1, 5 AND 11	PARASSET TYPE ABUTMENTS ON PILING
PIERS 2-4, 6-10, AND 12-15	CAST-IN-PLACE CONCRETE
PILES	PIPE PILES
AESTHETICS:	
LEVEL A - MID LEVEL	
LEVEL B - MID LEVEL	

**whks**  
engineers • planners • land surveyors

MINNESOTA  
DEPARTMENT OF TRANSPORTATION

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BRIDGE NO. 28024

PROPOSED BRIDGE LOCATED 0.2 MILES  
NE OF JCT. I-35 AND SOUTH 3RD ST.  
(IN LA CRESCENT)

SPAN IDENTIFICATION NO.  
SPAN 1 - 302  
SPAN 2 THRU 17 - 209

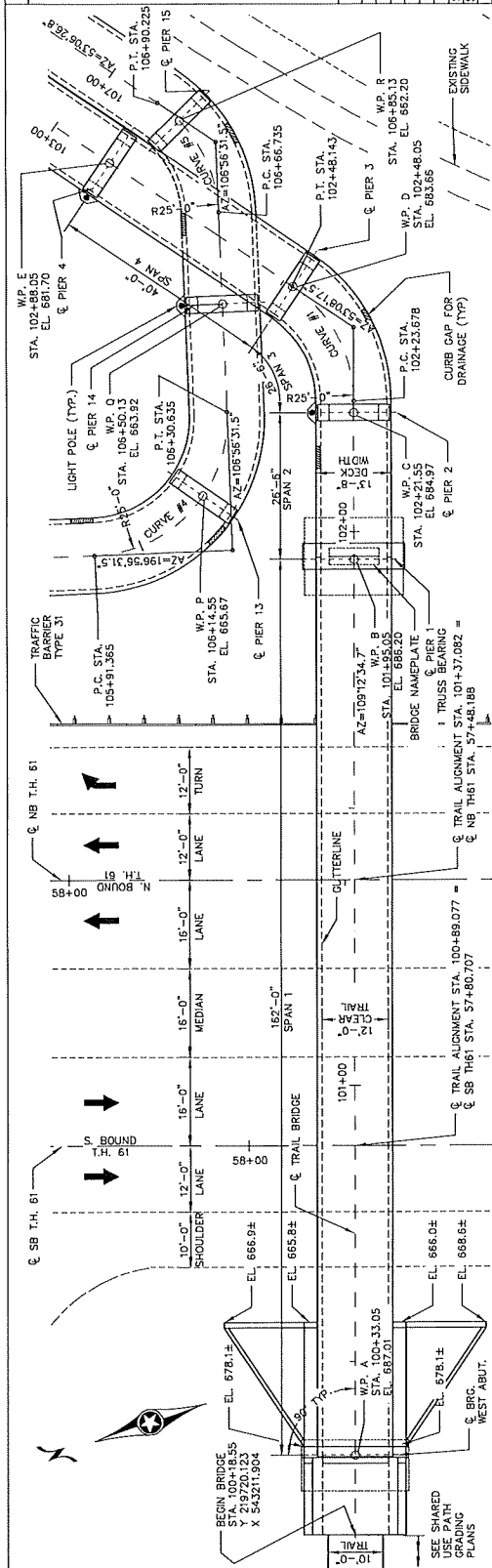
SEC. 10 T 104 N R 04 W  
CITY OF LA CRESCENT HOUSTON COUNTY

APPROVED \_\_\_\_\_ STATE BRIDGE ENGINEER

DATE \_\_\_\_\_

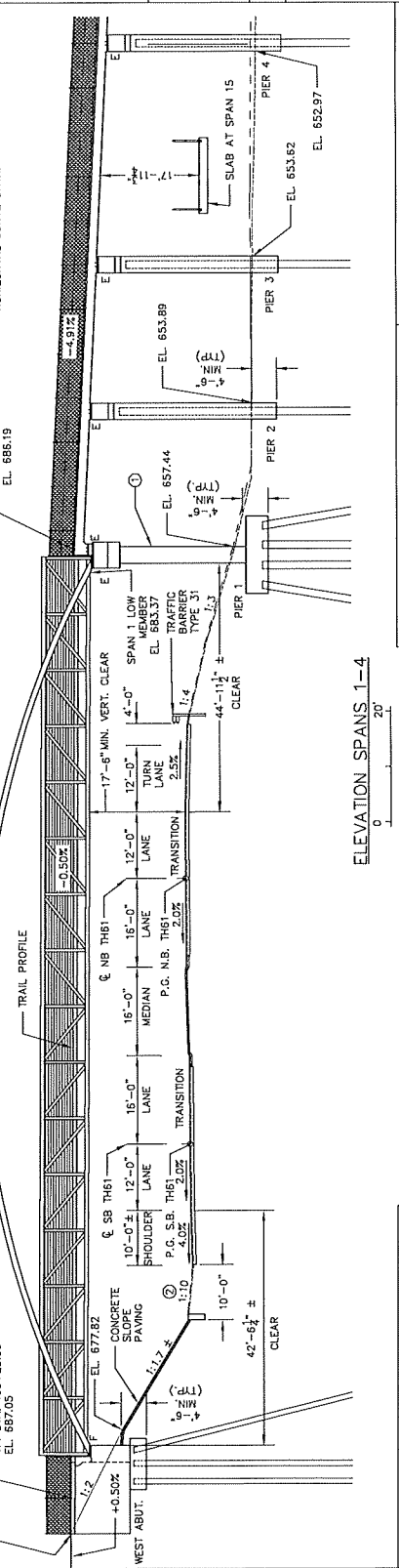
BRIDGE NO. 28024

S1 OF S63 SHEETS



HORIZONTAL CURVE COORDINATES						
	CURVE #1	CURVE #2	CURVE #3	CURVE #4	CURVE #5	CURVE #6
P.C. STATION	102+23.678	103+58.738	104+79.572	105+91.365	106+68.735	107+455.998
P.T. STATION	102+23.678	103+58.738	104+79.572	105+91.365	106+68.735	107+455.998
	Y	219652.631	219722.581	219780.048	219780.271	219713.980
	X	543405.319	543485.196	543394.742	543464.551	543528.792
		104+12.053	105+20.551	106+30.635	106+50.225	107+488.502
		219655.237	219733.992	219687.670	219668.472	219716.149
	Y	543481.292	543415.351	543411.354	543468.181	543550.126
	X	543428.833				

NOTE: SEE BRIDGE LAYOUT SHEET FOR ADDITIONAL HORIZONTAL CURVE DATA.



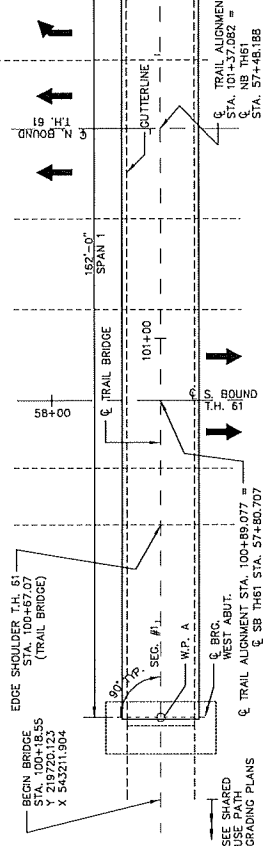
**DEPTH OF STRUCTURE:**  
 SPAN 1 GUTTER TO LOW MEMBER = 2'-9"  
 SPANS 2-17 GUTTER TO LOW MEMBER = 1'-6"

**INDOT CONTACTS:**  
ROAD DESIGN: FAUSTO CABRAL 507-251-1930  
PRESIDENT ENGINEER: MARK ANDERSON 507-429-6302  
BRIDGE DESIGN: ANGEL STAPLES 651-366-4545

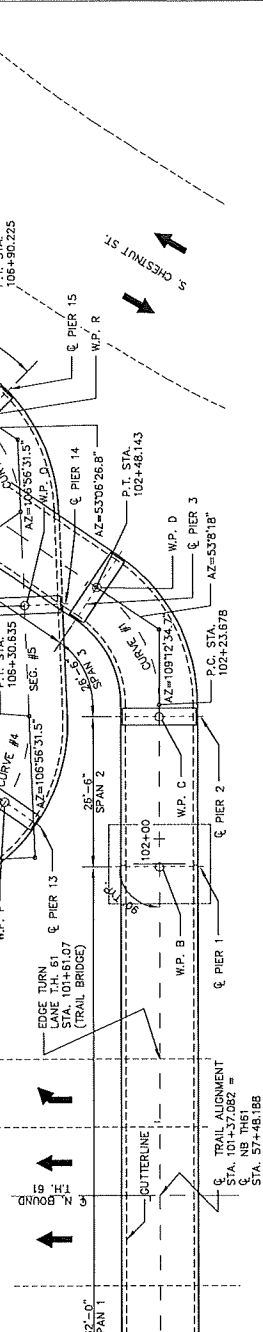
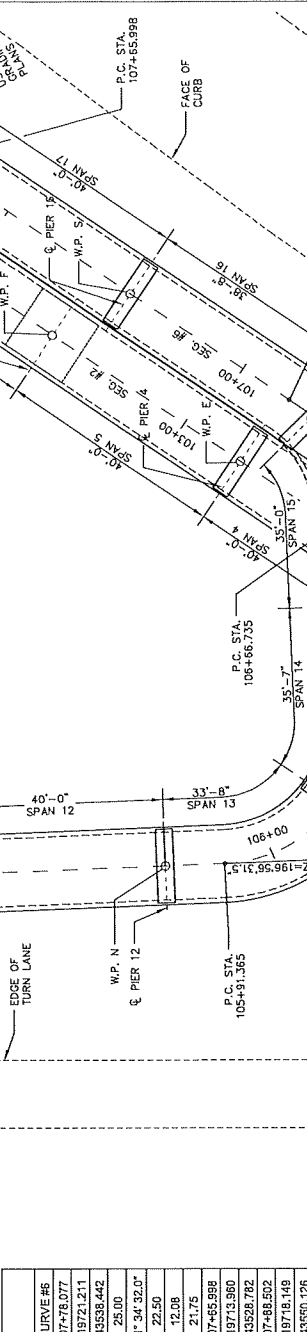
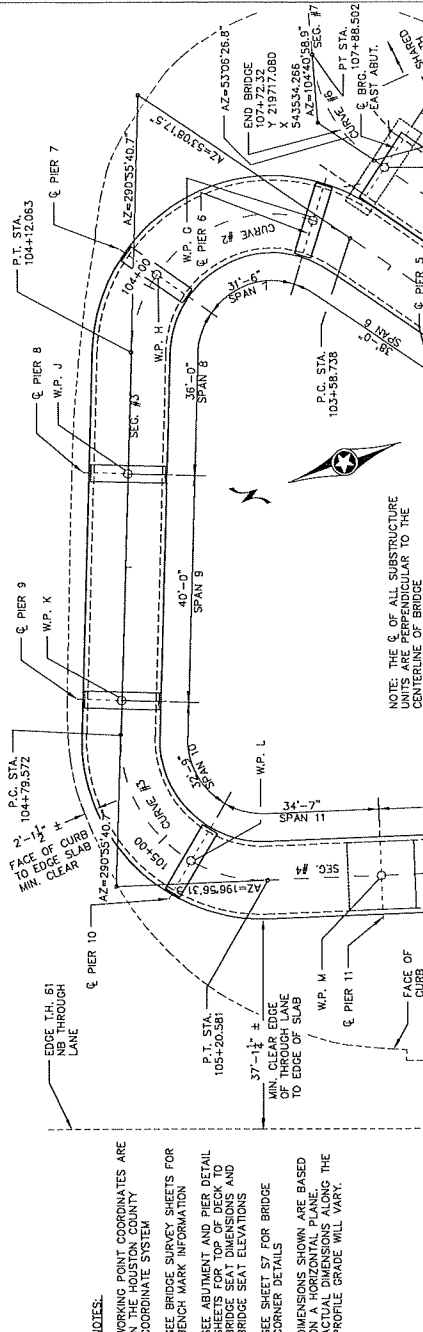
JOB NUMBER T6F443	STATE PROJ. NO. 2805-28084, S.P. 236-090-003 (T.H. 61 = 003)	DES. JMJZ CHK. MJJR	DR. JMJZ
			SHEET NO. 51 OF 563 SHEETS
			BRIDGE NO. 28024

WORKING POINTS COORDINATES AND ELEVATIONS			
WORKING POINT	DESCRIPTION	STATION	TOP OF FINISHED DECK ELEV.
A	WEST ABUT. CL BRG.	100+43.05	543225.594
B	C.L. PIER 1	101+49.05	219652.051
C	C.L. PIER 2	102+21.55	219653.132
D	C.L. PIER 3	102+48.05	219655.179
E	C.L. PIER 4	102+80.05	219660.176
F	C.L. PIER 5	103+28.05	219704.172
G	C.L. PIER 6	103+66.05	219727.751
H	C.L. PIER 7	103+97.55	219757.207
I	C.L. PIER 8	104+33.55	219773.698
J	C.L. PIER 9	104+73.55	219787.956
K	C.L. PIER 10	105+06.30	219785.757
L	C.L. PIER 11	105+40.88	219754.555
M	C.L. PIER 12	105+80.88	219716.301
N	C.L. PIER 13	106+14.55	219684.222
O	C.L. PIER 14	106+50.13	219669.390
P	C.L. PIER 15	106+85.13	219665.446
Q	C.L. PIER 16	107+23.80	219688.026
R	EAST ABUT. CL BRG.	107+43.80	219723.538
S			
T			

HORIZONTAL CURVE DATA			
HORIZ. CURVE #	CURVE #1	CURVE #2	CURVE #3
P.I. STATION	102+38.990	104+04.035	105+06.375
X	219648.754	219749.754	219799.622
Y	543418.182	543553.560	543423.161
R	25.00	25.00	25.00
A	56° 47' 17.1"	122° 12' 36.8"	93° 59' 9.4"
L	24.47	53.32	41.01
T	13.31	45.30	26.80
C	23.50	43.76	35.56
P.C. STATION	102+23.678	103+48.729	104+73.572
X	219852.631	219772.891	219706.271
Y	543405.611	543572.919	543448.196
P.T. STATION	102+48.143	104+73.572	105+91.365
X	219656.237	219773.962	219875.071
Y	543428.833	543511.252	543411.354

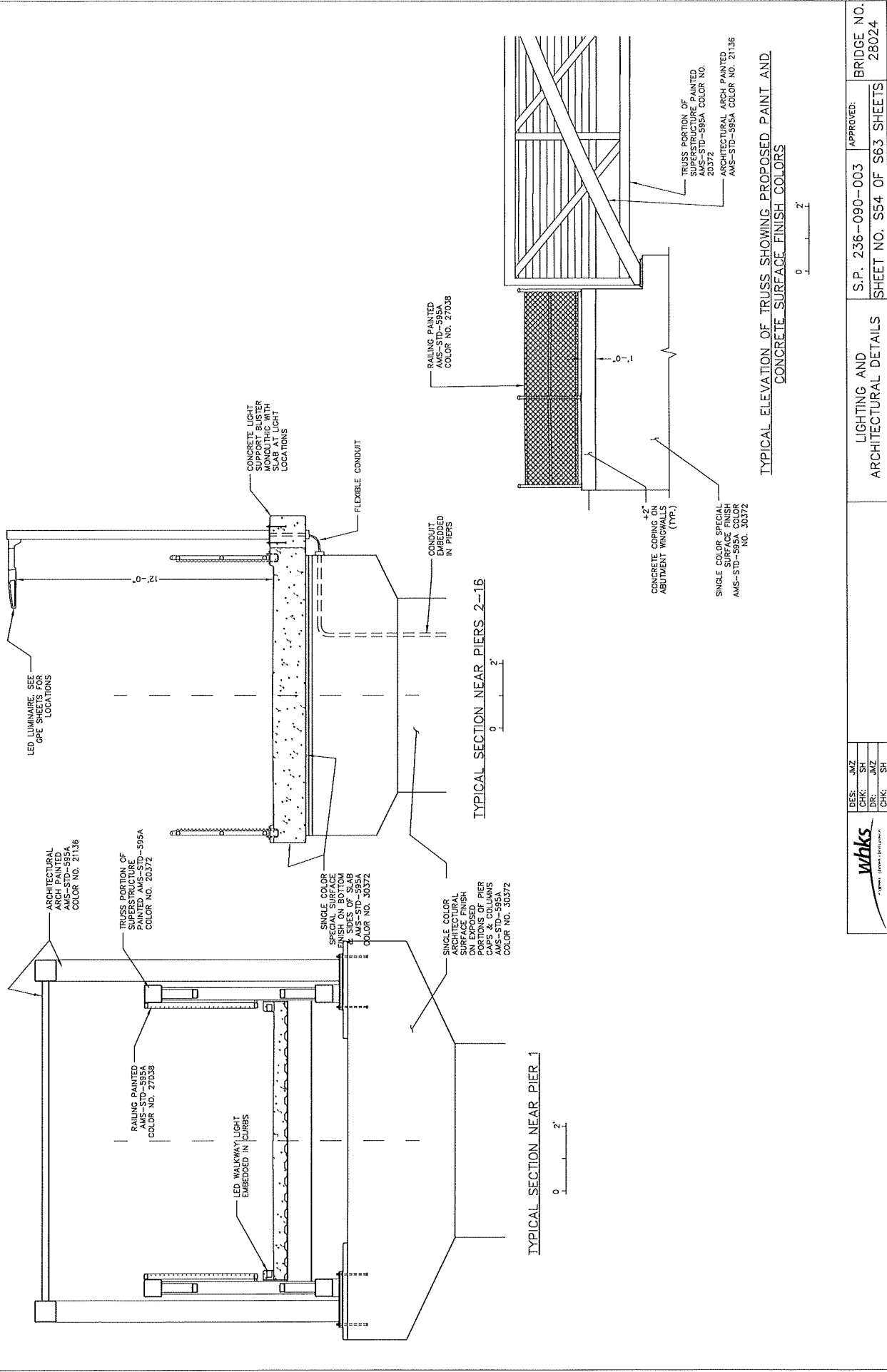



HORIZONTAL ALIGNMENT LINE AND CURVE CHORD DATA			
LINE SEG./CHORD #	SEG. #1	CHORD #2	SEG. #3
STATION	99+45.470	102+23.878	104+73.572
X	219737.586	219652.631	219773.962
Y	543161.763	543405.611	543428.833
CHORD #4	105+91.365	108+30.635	109+90.225
X	219654.551	219668.472	219713.960
Y	543411.354	543448.196	543455.181
CHORD #5	110+56.315	113+56.315	116+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"
CHORD #6	116+56.315	119+56.315	122+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"
CHORD #7	122+56.315	125+56.315	128+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"



WORKING POINT AND SUBSTRUCTURE LAYOUT			
LINE SEG./CHORD #	SEG. #1	CHORD #2	SEG. #3
STATION	99+45.470	102+23.878	104+73.572
X	219737.586	219652.631	219773.962
Y	543161.763	543405.611	543428.833
CHORD #4	105+91.365	108+30.635	109+90.225
X	219654.551	219668.472	219713.960
Y	543411.354	543448.196	543455.181
CHORD #5	110+56.315	113+56.315	116+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"
CHORD #6	116+56.315	119+56.315	122+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"
CHORD #7	122+56.315	125+56.315	128+56.315
X	53° 56' 31.5"	80° 1' 29.4"	53° 56' 31.5"





	DES:	JMZ	BRIDGE NO.	28024
	CHK:	SH	APPROVED:	
	DR:	JMZ	S.P. 236-090-003	
	CRK:	SH	SHEET NO. S54 OF S63 SHEETS	
LIGHTING AND ARCHITECTURAL DETAILS				

## MEMORANDUM

TO: Bill Waller, City Administrator  
FROM: Tim Hruska, P.E., L.S.  
DATE: 3/17/21  
RE: ADA Transition Plan

We have completed the ADA Transition Plan. This plan is required for federal funding. The Wagon Wheel Bridge is receiving Federal Funding as part of the funding from the Transportation Alternative Program.

The Transition Plan has separated pedestrian ramps, sidewalks, and trails into categories with three conditions. The first tier has items that are physical barriers, that do not allow all potential users to use the system. The second tier is where there may not be physical barriers, they do not meet the required specifications for the system. The majority of the facilities fall within this category. The third tier is where the facilities are fully compliant.

The plan provides the City with guidance on where facilities need improvement. These improvements should be timed with other projects. The plan will be reviewed when future projects are discussed to determine implementation.

I will be in attendance at the meeting to review the plan.

# 3.4




TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator *Bill*  
DATE: March 18, 2021  
RE: Review Local Road Improvement Project

In October of 2020 the City Council approved an engineering agreement with WHKS to begin planning for the reconstruction of Walnut Street. For City Council information, a copy of the memo and engineering agreement are included. Due to the planning work that was completed for the project, the City was in a position to submit an application to MnDOT for a portion of the project costs through the Local Road Improvement Program (LRIP).

Attached for City Council information is the site plan and project budget that was submitted to MnDOT for a LRIP grant. The project, referred to as the Walnut Street Improvement project is in draft form and is tentatively set for 2022. City Engineer Tim Hruska will be in attendance at the meeting to review the project with the City Council.

There are a number of funding sources that may be utilized to pay for portions of the project. This is very preliminary, and may include a combination of the following:

1. Municipal State Aid funds.
2. Bonding authority through the City's 2021-2026 Street Reconstruction plan.
3. Water and Sewer revenue bonds.
4. The potential for funding assistance through the LRIP application, although we have been advised by MnDOT that they received 421 requests which is nearly double the number of requests that they received the last time that the program was offered.
5. The potential to use funds that the City will receive in 2021 and 2022 through the American Rescue Plan (ARP). These funds can be used for the cost of water and sewer infrastructure. This is very preliminary information, and there will be ample time to be review and discuss options for the ARP funds as the planning for the project moves forward.

TO: Honorable Mayor and City Council Members  
FROM: Bill Waller, City Administrator   
DATE: October 21, 2020  
RE: Planning Proposal

Attached for review and consideration by the City Council is an engineering agreement regarding the planning for the reconstruction of Walnut Street between North 4<sup>th</sup> Street and Main Street. City Engineer Tim Hruska will be in attendance at the meeting to review the project with the City Council.

The project is tentatively being planned for 2022, and would include Walnut Street along with additional streets that are included in the City's 2021-2026 Street Reconstruction Plan. A copy of the map from the plan is included.

In 2022 the City will have approximately \$800,000 in Municipal State Aid funds available for the project. In addition, we anticipate a project that will also utilize approximately \$1.5 million in street reconstruction bonds under the authority from the City's 5-year Street Reconstruction Plan.

In order to begin planning for street reconstruction projects in 2022, we would suggest that the City Council accept the engineering agreement for the Walnut Street Reconstruction project.

## PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, by and between **City of La Crescent** hereinafter referred to as the "Client" and WHKS & Co., hereinafter referred to as "WHKS", is made as follows:

WHEREAS, the Client has a need for certain professional services relating to the project described as **Walnut Street Reconstruction**.

WHEREAS, WHKS proposes to furnish the professional services required by the Client for said project,

NOW THEREFORE, the Client hereby agrees to retain and compensate WHKS to perform the professional services in accordance with the terms and conditions of this Agreement and the attached Standard Terms and Conditions.

### Scope of Services

WHKS shall perform the following described services for the Client:

**Planning phase engineering services for the reconstruction of Walnut Street between Main Street and North 4<sup>th</sup> Street. This will include the intersection of Main and Walnut Streets and the connection of bikes/pedestrians to the Event Center. The primary objective is to provide options that will provide a route for bikes/pedestrians between the Main/Walnut intersection and the Event Center. Three layouts and typical sections will be presented to the City Council. Engineering design phase services are not included. A separate agreement will be presented after an option is selected.**

### Basis of Compensation

For the services described above, the Client shall remunerate WHKS as follows:

**Billed Hourly with an Estimated Fee of \$8,500. Expenses billed at actual cost and mileage at the current published IRS rate per mile.**

Executed this \_\_\_\_\_ day of October, 2020

**City of La Crescent**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WHKS & co.**

By: \_\_\_\_\_

Printed Name: Timothy A. Hruska, P.E., L.S.

Title: Principal







Engineer's Opinion of Probable Construction Costs  
Walnut Street Reconstruction  
La Crescent, MN  
WHKS #9181

**whks**

engineers + planners + land surveyors

Line	Item Description	Approx. Quantities	Unit of Measure		Unit Price	Total Amount
<b>STREET &amp; SIDEWALK</b>						
1	Mobilization	1.00	LS	@	\$200,000.00	\$200,000.00
2	Common Excavation	5,500.00	CY	@	\$15.00	\$82,500.00
3	Topsoil Strip and Replace	2,500.00	CY	@	\$8.00	\$20,000.00
4	Clear and Grubb	1.00	LS	@	\$15,000.00	\$15,000.00
5	Subbase, 16" (pavement)	10,000.00	TON	@	\$20.00	\$200,000.00
6	Subbase, 6" (driveway)	225.00	TON	@	\$20.00	\$4,500.00
7	Subbase, 4" (sidewalk)	1,150.00	TON	@	\$20.00	\$23,000.00
8	Existing Sidewalk Removal	2,123.00	SY	@	\$15.00	\$31,845.00
9	Existing Pavement Removal	12,250.00	SY	@	\$5.00	\$61,250.00
10	Curb and Gutter	4,450.00	LF	@	\$32.00	\$142,400.00
11	Sidewalk, 4"	1,675.00	SY	@	\$55.00	\$92,125.00
12	Bike Trail/Sidewalk, 6"	1,900.00	SY	@	\$65.00	\$123,500.00
13	Driveway Remove and Replace	700.00	SY	@	\$80.00	\$56,000.00
14	4" HMA Roadway Pavement	9,600.00	SY	@	\$26.00	\$249,600.00
15	Painted Pavement Markings	1.00	LS	@	\$15,000.00	\$15,000.00
16	Permanent Signage	1.00	LS	@	\$15,000.00	\$15,000.00
<b>SUBTOTAL</b>						<b>\$1,331,720.00</b>
<b>SANITARY SEWER</b>						
17	Sanitary Structure Removal	10	EA	@	\$600.00	\$6,000.00
18	Sanitary Sewer, 8"	2520	LF	@	\$50.00	\$126,000.00
19	San Structures	10	EA	@	\$3,500.00	\$35,000.00
20	Sanitary Sewer Service Lines	1280	LF	@	\$45.00	\$57,600.00
<b>SUBTOTAL</b>						<b>\$224,600.00</b>
<b>STORM SEWER</b>						
21	12" RCP Storm Sewer	1000	LF	@	\$50.00	\$50,000.00
22	15" RCP Storm Sewer	1600	LF	@	\$55.00	\$88,000.00
23	Storm Structures	33	EA	@	\$3,500.00	\$115,500.00
<b>SUBTOTAL</b>						<b>\$253,500.00</b>

Engineer's Opinion of Probable Construction Costs  
Walnut Street Reconstruction  
La Crescent, MN  
WHKS #9181

**whks**

engineers + planners + land surveyors

Line	Item Description	Approx. Quantities	Unit of Measure		Unit Price	Total Amount
<b>WATERMAIN</b>						
24	Water Main, 8"	2450	LF	@	\$50.00	\$122,500.00
25	Water Services	1280	LF	@	\$40.00	\$51,200.00
26	Water Service Corp, Curb Stop, And Box	32	EA	@	\$1,000.00	\$32,000.00
27	Water Fittings	2000	LB	@	\$7.50	\$15,000.00
28	8" Valves	15	EA	@	\$2,500.00	\$37,500.00
29	Fire Hydrant Assembly	5	EA	@	\$5,500.00	\$27,500.00
<b>SUBTOTAL</b>						<b>\$285,700.00</b>
<b>EROSION CONTROL</b>						
30	Turf Restoration	0.85	ACRE	@	\$15,000.00	\$12,750.00
31	Stormwater and Pollution Prevention	1	LS	@	\$5,000.00	\$5,000.00
<b>SUBTOTAL</b>						<b>\$17,750.00</b>

**STREET & SIDEWALK SUBTOTAL \$1,331,720.00**

**SANITARY SUBTOTAL \$224,600.00**

**STORM SUBTOTAL \$253,500.00**

**WATERMAIN SUBTOTAL \$285,700.00**

**EROSION CONTROL SUBTOTAL \$17,750.00**

**SUBTOTAL \$2,113,270.00**

**CONTINGENCY (15%) \$317,000.00**

**ENGINEERING (15%) \$364,500.00**

**TOTAL COST \$2,794,770.00**



## MEMORANDUM

TO: Bill Waller, City Administrator

FROM: Tim Hruska, P.E., L.S.

DATE: March 17, 2021

RE: Current Engineering Projects

### **MS4 Permit**

Items in the stipulation agreement that needed to be completed in the first 6 months have been done. The procedure items will be submitted this week. The ordinance revisions have been submitted to the MPCA for their review and comment. This will complete all of the items in the stipulation agreement. We expect that the MPCA will give us revisions to the ordinance at the beginning of April. Final approval of the ordinance is expected to occur in April.

### **Street Inventory / 5-year CIP / Walnut Street**

We have been working with Staff to develop options for the 2022 street project. A LRIP application has been submitted for the Walnut Street portion of this project. The project will be funded using the City's 2020-2022 MSA allotment along with bonding authorized through the City's 5 year street reconstruction plan.

### **Train Whistle**

Nothing at this time.

### **Shore Acres Road Improvements**

We are determining required permits to raise the roadway without adversely impacting the water storage (flooding) in the surrounding areas.

### **Wagon Wheel Phase 3**

We will be updating this project as part of a separate agenda item.

### **Wagon Wheel Phase 1**

The City has received \$86,210 DNR grant to pave the remaining parts of Phase 1 of the Wagon Wheel Trail. We have submitted environmental documents for approval of this project. Once these approvals are received, plans will be presented to Council for approval and bidding. It is anticipated that paving will occur in 2021.

### **County 6 Utility Extension**

We are currently on hold with the project. We are working with Staff to develop an agreement with Houston County on septic system permits/approvals along County Road 6. This would be to minimize the risk of homeowners installing new septic system prior to utilities being extended to their neighborhood.

### **Stormwater Review**

As part of the Utility Extension project we have done some grading at the intersection of Crescent Valley to alleviate drainage concerns. The large diameter storm sewer north of North 4<sup>th</sup> Street between Elm and Park Streets has been repaired to minimize the risk of future settlement. There

will need to be a future project on this pipe to rehabilitate the invert (bottom). We are exploring potential solutions for repairs.

#### **Horse Track Meadows**

The project is on hold. Staff is discussing if the bituminous wearing course should be installed in 2021 or if we should delay due to the amount of home construction in the subdivision.

#### **Sanitary Sewer Agreement**

We continue to provide technical support to City Staff in negotiations with the City of La Crosse.

#### **Eagles Bluff Trail Easement**

We will be meeting with the property owner in the next month to draft a Certificate of Survey for a land swap needed to finalize the encroachments with the DNR.

#### **ADA Transition Plan**

We will be presenting this as a separate item on the agenda.

#### **Risk Assessment and Response Plan – MN Department of Health (MDH)**

MDH is requiring that the above plans be submitted. They are due in June and December 2021. We will be working with Staff to complete these.

#### **City Hall Site Planning**

We have completed a topographic and boundary survey for the potential site. A couple of potential development concepts for the site have been produced and reviewed with potential developers.

#### **Wildwood Court Drainage**

This item is on a future agenda.

#### **Outdoor Hockey Rink / Pickleball Courts**

We have prepared a preliminary site plan for an outdoor hockey rink that would be used as pickleball courts during the summer.

#### **DNR Roadway Grant**

The application was submitted in October. We are waiting to hear on the status of the submittal.

#### **TH 14/61/16 Project**

We have met with MnDOT regarding a future bituminous surfacing project on the highway. We will continue to have discussions regarding pedestrian and bicycle movements along the corridor. We are also discussing options for South 3<sup>rd</sup> Street with MnDOT and Houston County.

#### **Shore Acres RR Underpass**

We are scheduling a meeting with CP Rail to discuss the status of the Shore Acres underpass and the potential permanent use of the at grade crossing.

#### **SRTS Demonstration Project**

We have a meeting scheduled for 3/23 with the coordinators to discuss scope, timing, and installation of the SRTS demonstration project which is expected to occur at South 4<sup>th</sup> and Elm Street intersection. We have also discussed doing a similar demonstration project at the intersection of Main and Walnut during this summer so that the public can see the proposed improvements.

# 3.6

March 9, 2021

**Via Email: lenzb@cityoflacrosse.org**

Mr. Bernard Lenz, P.E.  
Utilities Manager, City of La Crosse  
400 La Crosse Street  
5<sup>th</sup> Floor  
La Crosse WI, 54601

Re: Opportunity to Negotiate Long Term Sewer Contract

Dear Mr. Lenz:

On behalf of the three municipal entities that we have been elected to lead; City of Onalaska, City of La Crescent, MN and Town of Campbell; we invite the City of La Crosse to meet and engage in negotiations of long term agreements for sanitary sewer services. Even though the State of Wisconsin has denied the City of La Crosse's request for a variance under ss. NR 162.06(2)(h) of the Wisconsin Administrative Code, the loan from the Clean Water Fund Program is still available to the City of La Crosse. The main remaining requirement for the funding is reaching long term agreements with our municipal entities. As noted in the March 1, 2021 letter to you from Jim Ritchie, WDNR Bureau Chief for Financial Assistance, the sole required issue separating the City of La Crosse from our municipal entities from reaching long term municipal agreements is the rate setting methodology.

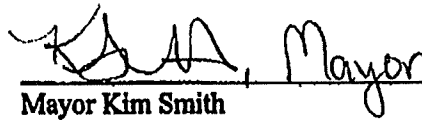
Both your City and the remainder of the Coulee Region have thrived since the expensive, unproductive intermunicipal rancor and lawsuits of the early 1990s. All of us should be working toward fair and equitable agreements so that we can focus our time, talents and resources on our municipal entities, their residents and the improvement of the entire Coulee Region.

While we recognize that you informed our staff members that the City of La Crosse would not discuss long term agreements until after the spring 2021 election, please be aware that we are ready, willing and able to enter into negotiation with the current City of La Crosse administration or the administration that is elected in April. Please pass on our invitation to Mayor Kabat, the current City Council as well as to the newly elected Mayor and City Council members.

We appreciate your efforts in providing our municipal entities with sanitary sewer service, and we look forward to meeting with you to reach long term agreements for such service.

Sincerely,

**CITY OF ONALASKA**

 Mayor  
Mayor Kim Smith

**CITY OF LA CRESCENT, MN**

\_\_\_\_\_  
Mayor Mike Poellinger

**TOWN OF CAMPBELL**

\_\_\_\_\_  
Mr. Terry Schaller

cc: Mayor Tim Kabat (via email)  
Council President, Martin Gaul (via email)  
City Clerk, Nikki Elsen (via email)  
Attorney Stephen Matty (via email)  
Mr. Casey Sweeney (via email)  
Mr. Bill Waller (via email)  
Mr. Eric A. Rindfleisch (via email)  
Attorney Brent Smith (via email)  
Attorney Skip Wieser (via email)  
Attorney Amanda Halderson Jackson (via email)  
Mr. Jarrod Holter (via email)  
Attorney Sean O'Flaherty (via email)

Sincerely,

**CITY OF ONALASKA**

---

Mayor Kim Smith

**CITY OF LA CRESCENT, MN**



Mayor Mike Poellinger

**TOWN OF CAMPBELL**

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**CITY OF LA CRESCENT, MN**

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Mr. Jarrod Holter (via email)  
Attorney Sean O'Flaherty (via email)

#6.1

TO: Honorable Mayor and City Council Members

GreenStep Committee Members

FROM: Jason Ludwigson, Sustainability Coordinator

DATE: March 4th, 2021

RE: Meeting Minutes March 3rd, 2021 4:30 p.m.

ATTENDANCE: Jason Ludwigson, Bill Waller, Jim Nissen, Shawn Weterlin, Theresa O'Donnell, Michael Alfieri

MEMBERS NOT IN ATTENDANCE: Isabelle Morken, Meghan Steffes

GUESTS: Elise L. Amel

## MINUTES

1. It was the consensus of the committee to approve the minutes from the Jan. 17th 2021 meeting.
2. Elise L. Amel, Ph.D. St. Thomas University presented to the committee on the psychology of environmental sustainability. She shared strategies for communicating sustainability to residents of the community. The committee decided to use some of her suggestions for sustainability in messages on the city Facebook page.
3. The committee reviewed the draft of the Partners in Energy plan. An update was provided on the development of the plan and the process for bringing the plan before the city council for approval. The implementation of the plan will actively involve the GreenSteps committee.
4. The committee discussed plans for hosting activities for Arbor Day in spring 2021. The committee discussed the city tree planting on Arbor Day and volunteers. It was also suggested to explore a partnership with the library for activities to share with the community about Arbor Day with a focus on kids. Jason Ludwigson will explore this partnership.
5. The committee discussed plans for possible zoning language changes for Electric Vehicles from the state. We will see if the state adopts the zoning language changes for Electric Vehicles.
6. Information about beekeeping and city ordinance language was discussed. The city attorney is looking into this at this time.
7. Jason Ludwigson presented information on the public health risks of natural gas stoves. Science around this topic has raised more awareness around the potential health risks of gas stoves in homes, with a particular risk to young children with developing respiratory systems. A public education component may be forthcoming on steps to mitigate these risks.
8. An update to the committee on the Phase II EV charger grant from the MPCA and ZEF energy was provided. We are awaiting the grant review process by the MPCA.
9. An informational item about support for updating Minnesota building energy code for commercial buildings was discussed.
9. The meeting was adjourned at approx. 5:53 p.m.



#6.2

TO: Honorable Mayor and City Council Members

Park and Recreation Commission Members

FROM: Bill Waller, City Administrator

DATE: March 16, 2021

RE: Meeting Minutes

March 15, 2021

The La Crescent Park and Recreation Commission met at 5:30 p.m., on Monday, March 15, 2021, in the City Council Chambers at the La Crescent City Hall. Pursuant to Minn. Stat. Section 13D.021 and due to the COVID-19 pandemic, members of the Park & Recreation Commission and City staff were given the option to attend the meeting by telephone or zoom. The following members were present in person: Jon Steffes, Paul McLellan, and Sarah Wetterlin. Diana Adamski was present via Zoom. Commission members Eileen Krenz, Mike Limberg, and Randy Dobbs were not in attendance. Also in attendance in person were Teresa O'Donnell-Ebner, Chris Fortsch, and Bill Waller.

1. It was the consensus of the Commission to approve the minutes of the February 16, 2021 Park and Recreation Commission meeting as presented.
2. A memo from Jason Ludwigson, the City's Sustainability Coordinator, was reviewed with the Commission regarding on-going work to secure easements to allow for the development of trails that are identified in the City's Blufflands Plan. This item will be placed on the agenda for the next Park & Recreation Commission meeting.
3. Jon Steffes provided an update regarding the 2021 summer recreation season and schedule. It was the consensus of the Commission that final decisions regarding programming for the summer of 2021 would be reviewed and discussed at the April Park & Recreation Commission meeting.
4. The Commission was updated on the City's efforts to develop a formal plan focused on maintenance and permitted uses in the City's natural spaces. Discussion followed regarding the City's 2012 Comprehensive Park & Recreation Plan, and the changes that have happened in the community since the plan was adopted. Further discussion will follow regarding the possibility of updating the City's Comprehensive Park & Recreation Plan and incorporating the development of a formal plan to address maintenance and permitted uses in the City's natural spaces as part of that process.
5. The Commission discussed the operation and maintenance of Wieser Park. It was the consensus of the Commission that for 2021 the City would take reservations for the shelter at the park, and in 2021 there would be no fee charged for use of the shelter.
6. Information was presented on the 2021 Arbor Day tree planting project, the third phase of the Wagon Wheel improvement project, and the conceptual plan for a shelter at Veterans Park.



7. The Commission discussed in the future closing trails in certain parks during the spring thaw as a way to mitigate damage to the trails. This item will be discussed in more detail at the April Park & Recreation Commission meeting.
8. It was agreed that the next meeting of the Park and Recreation Commission would be Tuesday, April 13, 2021, at 5:30 pm., at City Hall.
9. There being nothing further to discuss the meeting was adjourned at approximately 6:12 pm.

#6.3



**La Crosse County Convention & Visitors Bureau  
Online Board Meeting  
Tuesday, March 16<sup>th</sup>, 2021  
8:00 a.m. – Online Meeting**

Board of Directors: Dan Wick, President; Billy Bergeron, Vice President; Chris Roderique, Treasurer; Val Erickson, Secretary; Pete Boese, Dave Ring, Pat Stephens, Ryan Johnson, Larry Jensen, Nathan Franklin, Patrick Barlow, Dan Stevens, Scott Neumeister, Troy Sargent, Cherryl Jostad, Michel Gabbud, Stephen Cohen, Jay Patel, Ashley Santolin, Cassandra Hanan, Pamela Maas, Jen Burch & Madeline Behringer

Ad Hoc: Terry Bauer, Neal Zygarlicke, Art Fahey  
Executive Director: A.J. Frels

AGENDA

1. **Call to Order**
2. **Introductions**
3. **Board Minutes**
  - a. February 2021
4. **Financial Committee**
  - a. Minutes – March 2021
  - b. Statements – February 2021
  - c. Grant Program
  - d. Employee Retention Credit
  - e. Operating Reserve Policy
  - f. Building Reserve Policy
5. **Executive Director's Report**
6. **Committees**
  - a. Membership
  - b. Lease/Construction
  - c. Convention/Sales
  - d. Marketing/Media
7. **Old Business**
  - a. Booth at the LCC
  - b. Synergy
  - c. WIAA Basketball & Future Events
  - d. Lunker League Launch
8. **New Business**
  - a. Travel Wisconsin/Regional Promotion
  - b. Discover Wisconsin Show (with DMI)
  - c. 2021 Hotel Occupancy – February
9. **Event Center Updates**
10. **Community Updates**
11. **Adjournment**
12. **Next Virtual LCCVB Board Meeting is Scheduled for April 20<sup>th</sup>, 2021 Starting at 8:00 am**

1

*explore*  
**LA CROSSE**  
**LA CROSSE COUNTY CONVENTION & VISITORS BUREAU**  
**BOARD MEETING-ONLINE**  
**February 16, 2021– 8:00 a.m.**

---

**Board Members:**

**Present:** Chris Roderique, Billy Bergeron, Pat Stephens, Pamela Maas, Valerie Erickson, Larry Jensen, Dan Wick, Dave Ring, Patrick Barlow, Stephen Cohen, Cherryl Jostad, Michel Gabbud, Ryan Johnson, Ashley Santolin, Pete Boese, Jen Burch, Art Fahey, Nathan Franklin, Madeline Behringer, Dan Stevens

**Excused:** Cassandra Hanan, Jay Patel, Troy Sargent

**Absent:** Scott Neumeister, Neal Zygarlicke, Terry Bauer

**Others present:**

Executive Director: A.J. Frels

Director of Finance & Human Resources: Michelle Hoch

**PROCEEDINGS:**

Dan Wick brought the meeting to order at 8:00 a.m.

**MOTION:** To approve the January 2021 Board minutes. (P. Stephens, C. Roderique) Carried.

**FINANCE COMMITTEE:**

**MOTION:** To approve the February meeting minutes & Financials from January 2021. (P. Stephens, B. Bergeron) Carried.

**MOTION:** To approve waiving the \$10,000 concession fee in 2021 from the La Crosse Center, and to advise the LCC that this will be the last year the LCCVB will hold the Concessionaire agreement which gives them a year of opportunity to develop their own non-profit to become self-sustaining with regards to their concession license. (P. Stephens, L. Jensen) Carried.

**EXECUTIVE DIRECTOR REPORT:**

-The announcement was made on January 28<sup>th</sup> about our decision to move from Riverside Park to 7<sup>th</sup> Street. All feedback received was positive in regards to the move.

-We are in the process of awarding the Trek E-Bike Sweepstakes winner.

-Small Market Meetings is featuring the La Crosse Region as a meetings destination for their March 2021 issue.

-Haleigh has received positive feedback from her help in design of the La Crosse Center brochure. They are pleased with the look of the brochure.

-All of the content for the 2021 Visitor Guide was sent to our graphics designer, Cody Bartz. We anticipate the guide will be ready for print by the end of February.

-We have received notification that we were awarded a \$20,000 grant through the Wisconsin Department of Tourism for the Tackle Warehouse TITLE Pro Circuit Championship.

-We are happy to announce the WIAA Boys and Girls State Basketball Tournaments will be held at the La Crosse Center February 25-27 and March 4-6.

-AJ was asked to participate in the UWL Recreation Management Spring Virtual Career Expo to be held on March 16<sup>th</sup>.

-AJ had the opportunity to meet one on one individually with Terry from DMI, and Neal from the La Crosse Chamber to share updates from each organization.

-Due to COVID-19, the NCAA Division 3 Wrestling Championships were unfortunately canceled.

-The City of La Crosse held a Public Marketplace meeting on January 28<sup>th</sup> with consultant, Aaron Zaretsky, and architect Mark Ernst, where they presented their business plan for the project. The committee has asked Andrea Trane to continue and move forward on the project, and looking into acquiring the needed land.

-We received our semi-annual grant for \$2111.00 from the Wisconsin Department of Tourism for the State Welcome Center.

**COMMITTEE REPORTS:**

**Membership Committee**-The reports were distributed. L. Jensen reported that membership revenue for January came in at \$11,239.75. There were 31 membership renewals for the month.

**MOTION:** To accept the lodging properties that chose to not renew their 2021 membership. (P. Barlow, P. Maas) Carried.

**Lease/Construction Committee**-The closing date of the purchase is set for February 24, 2021. The insurance binder is now on file at State Bank, and D. Wick, C. Roderique, and AJ Frels will sign the loan documents on February 23, 2021.

**Convention/Sales Committee**-A. Fahey reports that sporting events seem to be the starters for holding events again.

Conventions and live entertainment gatherings are more likely to happen starting in quarter 3 this year. AJ Frels also reported that the WI Department of Tourism will be featuring videos on their website showcasing 5 convention centers within the State of Wisconsin. La Crosse will be one of the centers featured.

**Marketing/Media**-This committee has not met recently, however, most of the items pertaining to the marketing department were listed in the Executive Director report.

**OLD BUSINESS:**

-We continue to move forward with locating a welcome counter or booth in the lobby of the newly renovated La Crosse Center. A recent meeting was held with Beyer Cabinets about the construction of the welcome booth, and we are now waiting on their construction quote. The booth will be located in the South Lobby, under the skywalk from the Holiday Inn.

- We received the \$133,717 PPP loan funds by direct deposit on February 3, 2021.

- Beer Wine and Cheese will look a bit different this year. In April, we will be considering a drive through option for participants at the fest grounds, and in late fall we hope to hold an event at the La Crosse Center. We are working with the LCC staff to work out the details.

-AJ continues to attend Bike Share program meetings, as the group prepares for the launch in April 2021.

**NEW BUSINESS:**

-Explore La Crosse Day options are being explored and we're talking with the Kapanke's to possibly hold the event locally in 2021.

-At this time we are not planning to not schedule trolley tours until the fall of 2021. We need to run the trolley at 75% capacity to break even.

- 2020 Hotel Occupancy update shows an average of 32% for those properties participating for the month of January.

**Event Centers Update:**

-La Crosse Center is seeing business slowing coming back, including some small meetings being booked.

-Omni Center: Hockey sectional finals were held last week, and the ice will be coming out soon. A variety of sporting events will be held in March & April.

-La Crescent Event Center: At this time weddings are among the events currently being booked at the center.

**Community Updates:**

-La Crescent is continuing to work on the Wagon Wheel Trail project. The City also has an interest in participating in the Bike Share Program.

-Holmen's water treatment to be complete by May 2021, and working on additional residential area developments.

**Next virtual meeting scheduled for March 16, 2021, beginning at 8:00am**

**MOTION:** Moved to Adjourn, 8:50am (P. Stephens, P. Barlow) Carried.

Respectfully submitted, Michelle Hoch